

DCT Industrial Trust Inc.  
Form DEFM14A  
July 11, 2018

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[INDEX TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS](#)

[TABLE OF CONTENTS](#)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.       )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**DCT Industrial Trust Inc.**

---

(Name of Registrant as Specified In Its Charter)

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

Table of Contents

**PROXY STATEMENT/PROSPECTUS**

To the Stockholders of DCT Industrial Trust Inc.:

The board of directors of Prologis, Inc., which we refer to as Prologis, and the board of directors of DCT Industrial Trust Inc., which we refer to as DCT, have each unanimously approved an Agreement and Plan of Merger, dated as of April 29, 2018, as it may be amended from time to time, which we refer to as the merger agreement, by and among Prologis, Prologis, L.P., which we refer to as Prologis OP, DCT and DCT Industrial Operating Partnership LP, which we refer to as DCT OP. Pursuant to the merger agreement, Prologis and DCT will combine through (i) a merger of DCT with and into Prologis, with Prologis surviving the merger as the surviving entity, which we refer to as the company merger and (ii) a merger of DCT OP with and into Prologis OP, with Prologis OP surviving the merger as the surviving partnership, which we refer to as the partnership merger, and together with the company merger, the mergers. The combined company after the mergers, which we refer to as the Combined Company, will retain the name "Prologis, Inc." and will continue to trade on the New York Stock Exchange, or NYSE, under the symbol "PLD." The executive officers of Prologis immediately prior to the effective time of the company merger will continue to serve as the executive officers of the Combined Company, with Hamid R. Moghadam continuing to serve as the Chief Executive Officer of the Combined Company. The obligations of Prologis, Prologis OP, DCT and DCT OP to effect the mergers are subject to the satisfaction or waiver of certain customary conditions set forth in the merger agreement (including the approval of DCT's stockholders).

If the company merger is completed pursuant to the merger agreement, each share of DCT common stock outstanding immediately prior to the effective time of the company merger will convert into the right to receive 1.02 shares of Prologis common stock.

If the partnership merger is completed pursuant to the merger agreement, each DCT OP common unit outstanding immediately prior to the effective time of the partnership merger will be converted into the right to receive 1.02 common units in Prologis OP.

DCT stockholders that receive shares of Prologis common stock will not receive any fractional shares of Prologis common stock in the company merger and instead will be paid cash (without interest) in lieu of any fractional share to which they would otherwise be entitled. Any fractional Prologis OP common unit that would otherwise be issued to any holder of DCT OP common units shall be rounded up to the nearest whole number of Prologis OP common units.

In connection with the mergers, based on the outstanding shares of DCT common stock as of June 29, 2018 we anticipate that Prologis will issue a total of approximately 96,190,611 shares of Prologis common stock, including (i) 96,078,602 shares of Prologis common stock in exchange for the outstanding DCT common stock in the company merger, which includes up to 83,224 shares of Prologis common stock in exchange for the DCT restricted stock, (ii) up to 82,934 shares of Prologis common stock in exchange for DCT phantom shares and (iii) up to 29,075 shares of Prologis common stock in respect of DCT stock options.

In connection with the mergers, DCT will hold a special meeting of its stockholders. At the DCT special meeting, DCT stockholders will be asked to vote on (i) a proposal to approve the company merger on the terms and conditions set forth in the merger agreement, (ii) a non-binding advisory proposal to approve certain compensation that may be paid or become payable to the named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and (iii) a proposal to approve one or more adjournments of the DCT meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

The record date for determining the stockholders entitled to receive notice of, and to vote at, the DCT special meeting is July 9, 2018. The mergers cannot be completed unless, among other matters, DCT stockholders approve the company merger on the terms and conditions set forth in the merger agreement by the affirmative vote of holders of a majority of the shares of outstanding DCT common stock entitled to vote on such matter.

The DCT board of directors has unanimously (i) determined and declared that the mergers are advisable and in the best interests of DCT and its stockholders, (ii) approved each of the mergers and the other transactions contemplated by the merger agreement, and (iii) approved the merger agreement. **The DCT board of directors unanimously recommends that DCT stockholders vote FOR the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, FOR the non-binding advisory proposal to approve**

**certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and FOR the proposal to approve one or more adjournments of the DCT meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.**

This proxy statement/prospectus contains important information about Prologis, DCT, the mergers, the merger agreement and the special meeting. This document is also a prospectus for shares of Prologis common stock that will be issued to DCT stockholders and holders of awards under DCT equity incentive plans pursuant to the merger agreement. **We encourage you to read this proxy statement/prospectus carefully before voting, including the section entitled "Risk Factors" beginning on page 33.**

Your vote is very important, regardless of the number of shares of DCT common stock you own. Whether or not you plan to attend the DCT special meeting, please submit a proxy to vote your shares as promptly as possible to make sure that your shares of DCT common stock are represented at the DCT special meeting. Please review this proxy statement/prospectus for more complete information regarding the mergers and the DCT special meeting.

Sincerely,

Philip L. Hawkins  
*President and Chief Executive Officer*  
DCT Industrial Trust Inc.

Neither the Securities and Exchange Commission, nor any state securities regulatory authority has approved or disapproved of the mergers or the securities to be issued under this proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated July 10, 2018, and is first being mailed to DCT stockholders on or about July 13, 2018.

---

Table of Contents

**DCT INDUSTRIAL TRUST INC.**

555 17th Street, Suite 3700  
Denver, CO (303) 597-2400

---

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON AUGUST 20, 2018**

---

To the Stockholders of DCT Industrial Trust Inc.:

A special meeting of the stockholders of DCT Industrial Trust Inc., a Maryland corporation, which we refer to as DCT, will be held at 555 17th Street, Suite 3700, Denver, Colorado 80202 on August 20, 2018, commencing at 10:00 a.m., local time, for the following purposes:

1. to consider and vote on a proposal to approve the merger in which DCT merges with and into Prologis, Inc. pursuant to the Agreement and Plan of Merger, dated as of April 29, 2018, as it may be amended from time to time, by and among Prologis, Inc., Prologis, L.P., DCT and DCT Industrial Operating Partnership LP (a copy of the merger agreement is attached as Annex A to the proxy statement/prospectus accompanying this notice), on the terms and conditions set forth in the merger agreement;
2. to consider and vote on a non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement; and
3. to consider and vote on a proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

DCT does not expect to transact any other business at the DCT special meeting or any adjournment or postponement thereof. Please refer to the attached proxy statement/prospectus for further information with respect to the business to be transacted at the DCT special meeting. The board of directors of DCT, which we refer to as the DCT Board, has fixed the close of business on July 9, 2018 as the record date for the determination of DCT's stockholders entitled to receive notice of, and to vote at, the DCT special meeting and any adjournments of the DCT special meeting. Only holders of record of DCT common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the DCT special meeting.

Approval of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement requires the affirmative vote of holders of a majority of the shares of outstanding DCT common stock entitled to vote on such proposal. If you do not vote on the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, this will have the same effect as a vote by you against the approval of such proposal. **The company merger cannot be completed without the approval by DCT's stockholders of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.**

Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement requires the affirmative vote of a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement requires the affirmative vote of a majority of all votes cast on such proposal.

**The DCT Board has unanimously (i) determined and declared that the mergers are advisable and in the best interests of DCT and its stockholders, (ii) approved each of the mergers and the other transactions contemplated by the merger agreement, and (iii) approved the merger agreement. The DCT Board unanimously recommends that the DCT stockholders vote FOR the proposal to approve the company merger on the terms and conditions set**

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

forth in the merger agreement, **FOR** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and **FOR** the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

### YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the DCT special meeting, please submit a proxy to vote your shares as promptly as possible to make sure that your shares are represented at the DCT special meeting. If DCT stockholders of record return properly executed proxies but do not indicate how their shares of DCT common stock should be voted on a proposal, the shares of DCT common stock represented by their properly executed proxy will be voted as the DCT Board recommends and therefore, **FOR** the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, **FOR** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and **FOR** the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement. Even if you plan to attend the DCT special meeting in person, we urge you to submit your proxy as promptly as possible by (1) accessing the Internet website specified on your proxy card, (2) calling the toll-free number specified on your proxy card or (3) completing, signing, dating and returning the enclosed proxy card in the accompanying postage-paid envelope prior to the DCT special meeting to ensure that your shares will be represented and voted at the DCT special meeting.

To submit a proxy, complete, sign, date and mail your proxy card in the preaddressed postage-paid envelope provided or, if the option is available to you, call the toll-free telephone number listed on your proxy card or use the Internet as described in the instructions on the enclosed proxy card to submit your proxy. Submitting a proxy will assure that your vote is counted at the DCT special meeting if you do not attend in person. If your shares of DCT common stock are held in "street name" by your broker or other nominee, only your broker or other nominee can vote your shares of DCT common stock and the vote cannot be cast unless you provide instructions to your broker or other nominee on how to vote or obtain a legal proxy from your broker or other nominee. You should follow the directions provided by your broker or other nominee regarding how to instruct your broker or other nominee to vote your shares of DCT common stock. You may revoke your proxy at any time before it is voted. Please review the proxy statement/prospectus accompanying this notice for more complete information regarding the mergers and the DCT special meeting.

This notice and the enclosed proxy statement/prospectus are first being mailed to DCT stockholders on or about July 13, 2018.

By Order of the Board of Directors of DCT Industrial Trust Inc.,

John G. Spiegleman  
*Executive Vice President, General Counsel and Secretary*

Denver, CO  
July 10, 2018

---

Table of Contents

**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Prologis and DCT from other documents that are not included in or delivered with this proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 182.

Documents incorporated by reference are also available to DCT stockholders without charge upon written or oral request. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers.

Prologis, Inc.  
Pier 1, Bay 1  
San Francisco, CA 94111  
Attention: Investor Relations  
(415) 394-9000  
www.prologis.com

DCT Industrial Trust Inc.  
555 17th Street, Suite 3700  
Denver, CO 80202  
Attention: Investor Relations  
(303) 597-1550  
www.dctindustrial.com

**To receive timely delivery of the requested documents in advance of the applicable special meeting, you should make your request no later than August 12, 2018.**

**ABOUT THIS DOCUMENT**

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by Prologis (File No. 333-225542) with the Securities and Exchange Commission, which we refer to as the SEC, constitutes a prospectus of Prologis for purposes of the Securities Act of 1933, as amended, which we refer to as the "Securities Act," with respect to the shares of Prologis common stock to be issued to DCT stockholders in exchange for shares of DCT common stock and holders of awards under DCT equity incentive plans pursuant to the merger agreement. This proxy statement/prospectus also constitutes a proxy statement for DCT for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the "Exchange Act." In addition, it constitutes a notice of meeting with respect to the DCT special meeting.

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated July 10, 2018. You should not assume that the information contained in, or incorporated by reference into, this proxy statement/prospectus is accurate as of any date other than that date. Neither our mailing of this proxy statement/prospectus to DCT stockholders nor the issuance by Prologis of shares of its common stock to DCT stockholders or holders of awards under DCT equity incentive plans pursuant to the merger agreement will create any implication to the contrary.

**This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this proxy statement/prospectus regarding Prologis has been provided by Prologis and information contained in this proxy statement/prospectus regarding DCT has been provided by DCT.**

---

Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS</u>	<u>1</u>
<u>SUMMARY</u>	<u>10</u>
<u>The Companies</u>	<u>10</u>
<u>The Mergers</u>	<u>11</u>
<u>Recommendation of the DCT Board of Directors</u>	<u>12</u>
<u>The DCT Special Meeting</u>	<u>12</u>
<u>Opinion of DCT's Financial Advisor</u>	<u>13</u>
<u>Treatment of the DCT Equity Awards</u>	<u>13</u>
<u>Directors and Management of the Combined Company After the Mergers</u>	<u>14</u>
<u>Interests of DCT's Directors and Executive Officers in the Mergers</u>	<u>15</u>
<u>Listing of Prologis Common Stock; Delisting and Deregistration of DCT Common Stock</u>	<u>15</u>
<u>Stockholder Appraisal Rights in the Mergers</u>	<u>15</u>
<u>Conditions to Completion of the Mergers</u>	<u>15</u>
<u>Regulatory Approvals Required for the Mergers</u>	<u>15</u>
<u>Non-Solicitation of Acquisition Proposals</u>	<u>16</u>
<u>No Change of Board Recommendation; No Entry into Alternative Transactions</u>	<u>16</u>
<u>Termination of the Merger Agreement</u>	<u>17</u>
<u>Termination Fee and Expenses</u>	<u>18</u>
<u>Remedies</u>	<u>20</u>
<u>Litigation Relating to the Mergers</u>	<u>20</u>
<u>Material United States Federal Income Tax Consequences of the Company Merger</u>	<u>20</u>
<u>Accounting Treatment of the Mergers</u>	<u>20</u>
<u>Comparison of Rights of Prologis Stockholders and DCT Stockholders</u>	<u>21</u>
<u>Selected Historical Financial Information of Prologis</u>	<u>21</u>
<u>Selected Historical Financial Information of DCT</u>	<u>26</u>
<u>Selected Unaudited Pro Forma Condensed Combined Financial Information</u>	<u>29</u>
<u>Unaudited Comparative Per Share Information</u>	<u>30</u>
<u>Comparative Prologis and DCT Market Price and Dividend Information</u>	<u>31</u>
<u>RISK FACTORS</u>	<u>33</u>
<u>Risks Related to the Mergers</u>	<u>33</u>
<u>Risks Related to the Combined Company Following the Mergers</u>	<u>36</u>
<u>Risks Related to an Investment in the Combined Company's Common Stock Following the Mergers</u>	<u>39</u>
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>45</u>
<u>THE COMPANIES</u>	<u>46</u>
<u>Prologis, Inc. and Prologis, L.P.</u>	<u>46</u>
<u>DCT Industrial Trust Inc. and DCT Industrial Operating Partnership LP</u>	<u>46</u>
<u>The Combined Company</u>	<u>47</u>
<u>THE DCT SPECIAL MEETING</u>	<u>48</u>
<u>Date, Time, Place and Purpose of the DCT Special Meeting</u>	<u>48</u>
<u>Recommendation of the DCT Board of Directors</u>	<u>48</u>
<u>DCT Record Date; Who Can Vote at the DCT Special Meeting</u>	<u>48</u>
<u>Directors and Officers of DCT</u>	<u>48</u>
<u>Required Vote; Quorum</u>	<u>49</u>
<u>Abstentions and Broker Non-Votes</u>	<u>49</u>



Table of Contents

	<b>Page</b>
<u>Manner of Submitting Proxy</u>	<u>49</u>
<u>Shares Held in "Street Name"</u>	<u>50</u>
<u>Revocation of Proxies or Voting Instructions</u>	<u>50</u>
<u>Solicitation of Proxies; Payment of Solicitation Expenses</u>	<u>51</u>
<u>PROPOSALS SUBMITTED TO DCT STOCKHOLDERS</u>	
	<u>52</u>
<u>Company Merger Proposal</u>	<u>52</u>
<u>DCT Compensation Proposal</u>	<u>52</u>
<u>DCT Adjournment Proposal</u>	<u>53</u>
<u>Other Business</u>	<u>53</u>
<u>THE MERGERS</u>	
	<u>54</u>
<u>General</u>	<u>54</u>
<u>Background of the Mergers</u>	<u>54</u>
<u>Recommendation of the DCT Board of Directors and Its Reasons for the Mergers</u>	<u>63</u>
<u>Opinion of DCT's Financial Advisor</u>	<u>67</u>
<u>Certain Prologis Unaudited Prospective Financial Information</u>	<u>77</u>
<u>Certain DCT Unaudited Prospective Financial Information</u>	<u>80</u>
<u>Interests of DCT's Directors and Executive Officers in the Mergers</u>	<u>82</u>
<u>Directors of Prologis after the Mergers</u>	<u>88</u>
<u>Security Ownership of DCT's Directors and Executive Officers and Current Beneficial Owners</u>	<u>88</u>
<u>Regulatory Approvals Required for the Mergers</u>	<u>91</u>
<u>Material United States Federal Income Tax Consequences of the Company Merger</u>	<u>92</u>
<u>Accounting Treatment</u>	<u>97</u>
<u>Exchange of Shares in the Company Merger</u>	<u>97</u>
<u>Dividends</u>	<u>97</u>
<u>Listing of Prologis Common Stock</u>	<u>98</u>
<u>Delisting and Deregistration of DCT Common Stock</u>	<u>98</u>
<u>Litigation Relating to the Mergers</u>	<u>98</u>
<u>THE MERGER AGREEMENT</u>	
	<u>99</u>
<u>Form, Effective Time and Closing of the Mergers</u>	<u>99</u>
<u>Organizational Documents of Prologis Following the Mergers</u>	<u>100</u>
<u>Board of Directors of Prologis Following the Mergers</u>	<u>100</u>
<u>Merger Consideration; Effects of the Company Merger and the Partnership Merger</u>	<u>100</u>
<u>Representations and Warranties</u>	<u>103</u>
<u>Covenants and Agreements</u>	<u>106</u>
<u>Conditions to Completion of the Mergers</u>	<u>122</u>
<u>Termination of the Merger Agreement</u>	<u>125</u>
<u>Miscellaneous Provisions</u>	<u>128</u>
<u>DIRECTORS AND MANAGEMENT OF THE COMBINED COMPANY AFTER THE MERGERS</u>	
	<u>129</u>
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS APPLICABLE TO HOLDERS OF THE COMBINED COMPANY STOCK</u>	
	<u>130</u>
<u>DESCRIPTION OF CAPITAL STOCK</u>	
	<u>156</u>
<u>General</u>	<u>156</u>
<u>Common Stock</u>	<u>156</u>
<u>Restrictions on Ownership and Transfer</u>	<u>157</u>
<u>Anti-takeover Provisions in the Prologis Charter and Bylaws</u>	<u>160</u>

Table of Contents

	<b>Page</b>
<u>COMPARISON OF RIGHTS OF THE PROLOGIS STOCKHOLDERS AND THE DCT STOCKHOLDERS STOCKHOLDER PROPOSALS</u>	<u>163</u>
<u>LEGAL MATTERS</u>	<u>180</u>
<u>EXPERTS</u>	<u>181</u>
<u>WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE</u>	<u>181</u>
<u>INDEX TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	<u>182</u>
<u>ANNEX A AGREEMENT AND PLAN OF MERGER</u>	<u>F-1</u>
<u>ANNEX B OPINION OF MERRILL LYNCH, PIERCE, FENNER &amp; SMITH INCORPORATED</u>	

Table of Contents

**QUESTIONS AND ANSWERS**

The following are answers to some questions that DCT stockholders may have regarding the proposed transaction between Prologis and DCT. Prologis and DCT urge you to read carefully this entire proxy statement/prospectus, including the Annexes, and the documents incorporated by reference into this proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.

Unless stated otherwise, all references in this proxy statement/prospectus to:

the "Combined Company" are to Prologis and its consolidated subsidiaries after the effective time of the mergers;

the "company merger" are to a merger of DCT with and into Prologis, with Prologis surviving the merger;

"DCT" are to DCT Industrial Trust Inc., a Maryland corporation;

the "DCT Board" are to the board of directors of DCT;

"DCT common stock" are to the common stock of DCT, \$0.01 par value per share;

"DCT LTIP unit" are to a limited partnership interest in DCT OP designated as an "LTIP Unit" under the DCT OP partnership agreement;

"DCT OP" are to DCT Industrial Operating Partnership LP, a Delaware limited partnership;

a "DCT OP common unit" are to a common unit in DCT OP;

the "DCT OP partnership agreement" are to the amended and restated agreement of limited partnership of DCT OP, as amended;

the "DCT parties" are to DCT and DCT OP;

the "Exchange Act" are to the Securities Exchange Act of 1934, as amended;

the "Exchange Ratio" are to 1.02 shares of Prologis common stock or 1.02 units of Prologis OP common units for each share of DCT common stock or DCT OP common unit, respectively;

the "merger agreement" are to the agreement and plan of merger, dated as of April 29, 2018, by and among Prologis, Prologis OP, DCT and DCT OP, as it may be amended from time to time, a copy of which is attached as Annex A to this proxy statement/prospectus and is incorporated herein by reference;

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

the "merger consideration" are to 1.02 shares of Prologis common stock (as may be adjusted pursuant to the merger agreement) for every share of DCT common stock;

the "mergers" are to, collectively, the company merger and the partnership merger;

the "NYSE" are to the New York Stock Exchange;

the "partnership merger" are to the merger of DCT OP with and into Prologis OP, with Prologis OP surviving the merger;

"Prologis" are to Prologis, Inc., a Maryland corporation;

the "Prologis Board" are to the board of directors of Prologis;

"Prologis common stock" are to the common stock of Prologis, \$0.01 par value per share;

"Prologis LTIP unit" are to a limited partnership interest in Prologis OP designated as an "LTIP Unit" under the Prologis OP partnership agreement;

"Prologis OP" are to Prologis, L.P., a Delaware limited partnership;

a "Prologis OP common unit" are to a common unit in Prologis OP;

---

Table of Contents

the "Prologis OP partnership agreement" are to the thirteenth amended and restated agreement of limited partnership of Prologis OP, as amended;

the "Prologis parties" are to Prologis and Prologis OP;

the "SEC" are to the United States Securities and Exchange Commission;

the "Securities Act" are to the Securities Act of 1933, as amended; and

the "surviving partnership" are to Prologis OP after the effective time of the partnership merger.

**Q:**  
**What is the proposed transaction?**

**A:**  
Prologis and DCT have entered into a merger agreement pursuant to which, subject to the terms and conditions set forth in the merger agreement, (i) DCT will merge with and into Prologis, with Prologis surviving the merger and (ii) immediately prior to the effective time of the company merger, DCT OP will merge with and into Prologis OP, with Prologis OP surviving the merger.

**Q:**  
**What will happen in the proposed transaction?**

**A:**  
At the effective time of the company merger, (i) each issued and outstanding share of DCT common stock will be converted automatically into the right to receive 1.02 shares of Prologis common stock.

Additionally, (i) immediately prior to the company merger effective time and contingent on the closing of the company merger, each issued and outstanding unvested share of DCT common stock subject to a DCT restricted stock award granted under the DCT equity incentive plan shall automatically become fully vested and shall automatically be converted into the right to receive the merger consideration in the same manner as all other shares of DCT common stock, (ii) at the company merger effective time, each outstanding DCT phantom share granted under the DCT equity incentive plan will vest in full and the holder thereof will receive a number of shares of Prologis common stock per DCT phantom share equal to the number of shares of Prologis common stock that each DCT stockholder is entitled to receive per share of DCT common stock as the merger consideration and (iii) at the company merger effective time, each outstanding and unexercised option to purchase DCT common stock granted under the DCT equity incentive plan will vest in full and will terminate and will be converted into the right of the holder thereof to receive a number of shares of Prologis common stock, rounded down to the nearest whole number of shares, equal to (a) the Exchange Ratio multiplied by (b) the number of shares of DCT common stock obtained by (i) multiplying (A) the number of shares of DCT common stock that were subject to such option immediately prior to the company merger effective time by (B) the excess, if any, of the fair market value of a share of DCT common stock determined immediately prior to the company merger effective time over the per share exercise price of such option, and dividing the resulting amount determined under (i) by the fair market value of a share of DCT common stock determined immediately prior to the company merger effective time.

At the effective time of the partnership merger, each DCT OP common unit outstanding immediately prior to the effective time of the partnership merger, including any DCT OP common units issued upon the conversion of DCT LTIP units prior to the effective time of the partnership merger as discussed below, will convert into the right to receive 1.02 Prologis OP common units.

Additionally, immediately prior to the partnership merger effective time, each issued and outstanding, (i) unvested DCT LTIP unit shall automatically become fully vested in accordance with the terms of the DCT equity incentive plan and award agreement or other agreement or document evidencing such DCT LTIP units, and (ii) vested DCT LTIP unit eligible for conversion into a DCT OP common unit prior to or at the partnership merger effective time shall



Table of Contents

automatically be converted into a DCT OP common unit pursuant to the DCT OP partnership agreement. At the partnership merger effective time, each issued and outstanding DCT LTIP unit not previously converted into a DCT OP common unit, if any, shall be automatically converted into 1.02 Prologis LTIP units.

DCT stockholders that receive shares of Prologis common stock will not receive any fractional shares of Prologis common stock in the company merger and instead will be paid cash (without interest) in lieu of any fractional share which they would otherwise be entitled. Any fractional Prologis OP common unit that would otherwise be issued to any holder of DCT OP common units shall be rounded up to the nearest whole number of Prologis OP common units.

See "The Merger Agreement Merger Consideration; Effects of the Company Merger and the Partnership Merger" beginning on page 100 for detailed descriptions of the merger consideration and treatment of securities.

**Q: What happens if the market price of shares of Prologis common stock or DCT common stock changes before the closing of the mergers?**

A: No change will be made to the Exchange Ratio of 1.02 if the market price of shares of Prologis common stock or DCT common stock changes before the mergers. As a result, the value of the consideration to be received by DCT stockholders in the company merger and DCT OP unitholders in the partnership merger will increase or decrease depending on the market price of shares of Prologis common stock at the effective time of the mergers.

**Q: Why am I receiving this proxy statement/prospectus?**

A: The DCT Board is using this proxy statement/prospectus to solicit proxies of DCT stockholders in connection with the company merger. In addition, Prologis is using this proxy statement/prospectus as a prospectus for DCT stockholders because Prologis is offering shares of Prologis common stock to be issued in connection with the mergers. The mergers cannot be completed unless the holders of DCT common stock vote to approve the company merger on the terms and conditions set forth in the merger agreement.

DCT will hold a meeting of its stockholders to obtain this approval and to consider other proposals as described elsewhere in this proxy statement/prospectus.

This proxy statement/prospectus contains important information about the mergers and the other proposals being voted on at the DCT special meeting and you should read it carefully. The enclosed voting materials allow you to vote your shares of DCT common stock without attending the special meeting.

**Your vote is important. You are encouraged to submit your proxy as promptly as possible.**

**Q: Am I being asked to vote on any other proposals at the special meetings in addition to the company merger proposal?**

A: At the DCT special meeting, DCT stockholders will be asked to consider and vote upon the following additional proposals:

A non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement; and

To approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.





Table of Contents

**Q: Why are Prologis and DCT proposing the mergers?**

A: Among other reasons, if completed, the Combined Company is expected to have a pro forma enterprise value of approximately \$52.6 billion and a total market capitalization of approximately \$41.4 billion (each based on the closing price of Prologis' common stock on June 29, 2018 of \$65.69 per share), and the Combined Company will continue as the largest industrial real estate investment trust, or REIT, by total enterprise value and among the largest publicly traded United States REITs. In addition, the Combined Company is expected to benefit from a lower cost of capital and the creation of synergies resulting from the elimination of duplicative corporate functions. To review the reasons of the DCT Board for the mergers in greater detail, see "The Mergers Recommendation of the DCT Board of Directors and Its Reasons for the Mergers" beginning on page 63.

**Q: Who will be the board of directors and management of the Combined Company?**

A: Immediately following the effective time of the company merger, the board of directors of the Combined Company will be increased to 12 members, with the 11 current Prologis directors, Hamid R. Moghadam, Irving F. Lyons III, Cristina G. Bitá, George L. Fotiadés, Lydia H. Kennard, J. Michael Losh, David P. O'Connor, Olivier Piani, Jeffrey L. Skelton, Carl B. Webb and William D. Zollars, continuing as directors of the Combined Company. In addition, Philip L. Hawkins will join the board of directors of the Combined Company, to serve until the next annual meeting of the stockholders of the Combined Company (and until his successor qualifies and is duly elected). In the merger agreement, Prologis also agreed to nominate Mr. Hawkins for reelection at the 2019 annual meeting of Prologis' stockholders to serve until the next subsequent annual meeting of the Prologis' stockholders and until his successor is duly elected and qualifies. Mr. Hawkins is currently DCT's President and Chief Executive Officer and a member of the DCT Board.

The executive officers of Prologis immediately prior to the effective time of the company merger will continue to serve as the executive officers of the Combined Company, with Hamid R. Moghadam continuing to serve as the Chief Executive Officer of the Combined Company. See "The Merger Agreement Board of Directors of Prologis Following the Mergers" on page 100 for more information.

**Q: Will Prologis and DCT continue to pay dividends or distributions prior to the closing of the mergers?**

A: Yes.

The merger agreement permits Prologis to continue to pay (i) its regular quarterly cash distribution, i.e., distributions at a quarterly rate not to exceed \$0.48 per share of Prologis common stock, (ii) the regular distributions that are required to be made in respect of the Prologis OP common units in connection with any dividends paid on the shares of the Prologis common stock and (iii) any distribution that is reasonably necessary to maintain its REIT qualification and/or to avoid the imposition of United States federal income or excise tax.

The merger agreement permits DCT to pay (i) its regular quarterly cash distribution, i.e., distributions at a quarterly rate not to exceed \$0.36 per share of DCT common stock, (ii) the regular distributions that are required to be made in respect of the DCT OP common units and DCT LTIP units in connection with any dividends paid on the shares of the DCT common stock and (iii) any distribution that is reasonably necessary to maintain its REIT qualification and/or to avoid the imposition of United States federal income or excise tax.

Table of Contents

The timing of quarterly dividends will be coordinated by Prologis and DCT so that if either Prologis stockholders or DCT stockholders receive a dividend for any particular quarter prior to the closing date, the stockholders of the other entity will also receive a dividend for that quarter prior to the closing date.

**Q:**  
**When and where is the special meeting of the DCT stockholders?**

**A:**  
The DCT special meeting will be held at 555 17th Street, Suite 3700, Denver, Colorado 80202 on August 20, 2018 commencing at 10:00 a.m., local time.

**Q:**  
**Who can vote at the DCT special meeting?**

**A:**  
All holders of DCT common stock of record as of the close of business on July 9, 2018, the record date for determining stockholders entitled to notice of and to vote at the DCT special meeting, are entitled to receive notice of and to vote at the DCT special meeting. As of the record date, there were 94,194,708 shares of DCT common stock outstanding and entitled to vote at the DCT special meeting, held by approximately 1,590 holders of record. Each share of DCT common stock is entitled to one vote on each proposal presented at the DCT special meeting.

**Q:**  
**What constitutes a quorum?**

**A:**  
DCT's bylaws provide that the presence, in person or by proxy, of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting will constitute a quorum.

Shares that are voted, in person or by proxy, and shares abstaining from voting are treated as present at the DCT special meeting for purposes of determining whether a quorum is present.

**Q:**  
**What vote is required to approve the proposals?**

**A:**  
Approval of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement requires the affirmative vote of holders of a majority of the shares of outstanding DCT common stock entitled to vote on such proposal. Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement requires the affirmative vote of holders of DCT common stock constituting a majority of all votes cast on such proposal. Approval of the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement requires the affirmative vote of holders of DCT common stock constituting a majority of all votes cast on such proposal.

Regardless of the outcome of the foregoing proposal, in accordance with DCT's bylaws and Maryland law, the chairman of the DCT special meeting will retain full authority to conclude, recess or adjourn the DCT special meeting to a later date and time and at a place announced at the DCT special meeting for any purpose, including, without limitation, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, or to postpone the DCT special meeting before it is convened, without a vote of the DCT stockholders.

Table of Contents

**Q: How does the DCT Board recommend that DCT stockholders vote on the proposals?**

A: The DCT Board has unanimously (i) determined and declared that the mergers are advisable and in the best interests of DCT and its stockholders, (ii) approved each of the mergers and the other transactions contemplated by the merger agreement, and (iii) approved the merger agreement. The DCT Board unanimously recommends that the DCT stockholders vote **FOR** the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, **FOR** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and **FOR** the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

For a more complete description of the recommendation of the DCT Board, see "The Mergers Recommendation of the DCT Board of Directors and Its Reasons for the Mergers" beginning on page 63.

**Q: Do any of DCT's executive officers or directors have interests in the mergers that may differ from those of DCT stockholders?**

A: DCT's executive officers and directors have interests in the mergers that are different from, or in addition to, their interests as DCT stockholders. The members of the DCT Board were aware of and considered these interests, among other matters, in evaluating the merger agreement and the mergers, and in recommending that DCT stockholders vote **FOR** the proposal to approve the company merger on the terms and conditions set forth in the merger agreement. For a description of these interests, see the section entitled "The Mergers Interests of DCT's Directors and Executive Officers in the Mergers" beginning on page 82.

**Q: Are there any conditions to closing of the mergers that must be satisfied for the mergers to be completed?**

A: In addition to the approval of the DCT stockholders of the company merger on the terms and conditions set forth in the merger agreement, there are a number of customary conditions that must be satisfied or waived for the mergers to be consummated. For a description of all of the conditions to the mergers, see "The Merger Agreement Conditions to Completion of the Mergers" beginning on page 122.

**Q: Are there risks associated with the mergers that I should consider in deciding how to vote?**

A: Yes. There are a number of risks related to the mergers that are discussed in this proxy statement/prospectus described in the section entitled "Risk Factors" beginning on page 33.

**Q: If I do not vote for a proposal, what effect will that have?**

A: If you are a DCT stockholder, abstentions and broker non-votes will have the same effect as votes **AGAINST** the proposal to approve the company merger and the other transactions contemplated by the merger agreement. Abstentions and broker non-votes will have no effect on (i) the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, or (ii) the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

Table of Contents

**Q: Will my rights as a stockholder of DCT change as a result of the company merger?**

A: Yes. DCT stockholders will have different rights following the effective time of the company merger due to the differences between the governing documents of Prologis and DCT. For more information regarding the differences in stockholder rights, see "Comparison of Rights of the Prologis Stockholders and the DCT Stockholders" beginning on page 163.

**Q: When are the mergers expected to be completed?**

A: Prologis and DCT expect to complete the mergers as soon as reasonably practicable following satisfaction of all of the required conditions. If DCT stockholders approve the company merger and if the other conditions to closing the mergers are satisfied or waived, it is currently expected that the mergers will be completed in the third quarter of 2018. However, there is no guarantee that the conditions to the mergers will be satisfied or that the mergers will close.

**Q: What are the anticipated United States federal income tax consequences to me of the company merger?**

A: It is intended that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. The closing of the mergers is conditioned on the receipt by each of Prologis and DCT of an opinion from its respective counsel to the effect that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the company merger qualifies as a reorganization, United States holders of shares of DCT common stock generally will not recognize gain or loss for United States federal income tax purposes upon the receipt of Prologis common stock in exchange for DCT common stock in connection with the company merger, except with respect to cash received in lieu of fractional shares of Prologis common stock. Holders of DCT common stock should read the discussion under the heading "The Mergers Material United States Federal Income Tax Consequences of the Company Merger" beginning on page 92 and consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-United States income and other tax laws) of the company merger.

**Q: Are DCT stockholders entitled to appraisal rights?**

A: No. DCT stockholders are not entitled to exercise appraisal rights in connection with the mergers. See "The Merger Agreement Merger Consideration; Effects of the Company Merger and the Partnership Merger Dissenters' Rights" beginning on page 103 for more information.

**Q: What do I need to do now?**

A: After you have carefully read this proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instruction card and returning it in the enclosed preaddressed postage-paid envelope or, if available, by submitting your proxy by one of the other methods specified in your proxy card or voting instruction card as promptly as possible so that your shares of DCT common stock will be represented and voted at the DCT special meeting.

Please refer to your proxy card or voting instruction card forwarded by your broker or other nominee to see which voting options are available to you.

The method by which you submit a proxy will in no way limit your right to vote at the DCT special meeting if you later decide to attend the meeting in person.

Table of Contents

However, if your shares of DCT common stock are held in the name of a broker or other nominee, you must obtain a legal proxy, executed in your favor, from your broker or other nominee, to be able to vote in person at the DCT special meeting.

**Q:**  
**How will my proxy be voted?**

**A:**  
All shares of DCT common stock entitled to vote and represented by properly completed proxies received prior to the DCT special meeting, and not revoked, will be voted at the DCT special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your shares of DCT common stock should be voted on a matter, the shares of DCT common stock represented by your proxy will be voted as the DCT Board recommends and therefore **FOR** the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, **FOR** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and **FOR** the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement. See "The DCT Special Meeting Abstentions and Broker Non-Votes" on page 49.

**Q:**  
**Can I revoke my proxy or change my vote after I have delivered my proxy?**

**A:**  
Yes. You may revoke your proxy or change your vote at any time before your proxy is voted at the DCT special meeting. If you are a holder of record, you can do this in any of the three following ways:

by sending a written notice to the corporate secretary of DCT, in time to be received before the DCT special meeting, stating that you would like to revoke your proxy;

by completing, signing and dating another proxy card and returning it by mail in time to be received before the DCT special meeting, or by submitting a later dated proxy by the Internet or telephone in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

by attending the DCT special meeting and voting in person. Simply attending the DCT special meeting without voting will not revoke your proxy or change your vote.

If your shares of DCT common stock are held in an account at a broker or other nominee and you desire to change your vote or vote in person, you should contact your broker or other nominee for instructions on how to do so.

**Q:**  
**What does it mean if I receive more than one set of voting materials for the DCT special meeting?**

**A:**  
You may receive more than one set of voting materials for the DCT special meeting, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares of DCT common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold your shares of DCT common stock. If you are a holder of record and your shares of DCT common stock are registered in more than one name, you may receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or, if available, please submit your proxy by telephone or over the Internet.

Table of Contents

**Q: Do I need identification to attend the DCT special meeting in person?**

A: Yes. Please bring proper identification, together with proof that you are a record owner of shares of DCT common stock. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially owned shares of DCT common stock, on the record date.

**Q: Will a proxy solicitor be used?**

A: Yes. DCT has engaged D.F. King & Co., Inc., which we refer to as D.F. King, to assist in the solicitation of proxies for the DCT special meeting and DCT estimates it will pay D.F. King a fee of approximately \$10,000. DCT has also agreed to reimburse D.F. King for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify D.F. King against certain losses, claims, damages, liabilities and expenses. In addition to mailing proxy solicitation material, DCT's directors, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to DCT's directors, officers or employees for such services.

**Q: Who can answer my questions?**

A: If you have any questions about the mergers or how to submit your proxy or need additional copies of this proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

DCT Industrial Trust Inc.  
555 17th Street, Suite 3700  
Denver, CO 80202  
Attention: Investor Relations  
(303) 597-1550  
www.dctindustrial.com

Proxy Solicitor:

**D.F. King & Co., Inc.**  
48 Wall Street  
New York, NY 10005  
Toll-free: (800) 884-5101  
Banks and Brokers: (212) 269-5550  
Email: DCT@dfking.com

Table of Contents

**SUMMARY**

The following summary highlights some of the information contained in this proxy statement/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement, the mergers and the other transactions contemplated by the merger agreement, Prologis and DCT encourage you to read carefully this entire proxy statement/prospectus, including the attached Annexes and the other documents to which we have referred you because this section does not provide all the information that might be important to you with respect to the mergers and the DCT special meeting. See also the section entitled "Where You Can Find More Information and Incorporation by Reference" beginning on page 182. We have included page references to direct you to a more complete description of the topics presented in this summary.

**The Companies**

***Prologis, Inc. and Prologis, L.P. (See page 46)***

Prologis, Inc.  
Pier 1, Bay 1  
San Francisco, California 94111  
(415) 394-9000

Prologis, Inc., a Maryland corporation, which we refer to as Prologis, through its controlling interest in Prologis, L.P., which we refer to as Prologis OP, is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. Prologis owns, manages and develops high-quality logistics facilities in the world's most active centers of commerce. Prologis invests in Class-A logistics facilities in the world's primary population centers with high barriers to entry and supported by extensive transportation infrastructure (major airports, seaports, rail systems and highway systems). Prologis believes its portfolio is the highest-quality logistics property portfolio in the industry because it is focused in those key markets. Prologis' local teams actively manage the portfolio, which encompasses leasing and property management, capital deployment and an opportunistic disposition program. The majority of Prologis' properties in the United States are wholly owned, while its properties outside the United States are generally held in co-investment ventures. Prologis is principally an owner/operator in the United States and a manager/developer outside the United States. As of March 31, 2018, Prologis owned or had investments in, on a wholly-owned basis or through co-investment ventures, properties and development projects (based on gross book value and total expected investment) totaling \$58.5 billion across 683 million square feet across four continents. Prologis leases to approximately 5,000 customers.

Prologis common stock is listed on the NYSE, trading under the symbol "PLD."

***DCT Industrial Trust Inc. and DCT Industrial Operating Partnership LP (See page 46)***

DCT Industrial Trust Inc.  
555 17th Street, Suite 3700  
Denver, CO 80202  
(303) 597-1550

DCT Industrial Trust Inc., a Maryland corporation, which we refer to as DCT, through its controlling interest in DCT Industrial Operating Partnership LP, which we refer to as DCT OP, is a leading industrial real estate company specializing in the ownership, acquisition, development, leasing and management of bulk distribution and light industrial properties located in high-demand distribution markets in the United States. DCT's actively managed portfolio is strategically located near population centers and well-positioned to take advantage of market dynamics. As of March 31, 2018, DCT owned

Table of Contents

interests in 425 properties, comprised of approximately 73.7 million square feet of properties leased to approximately 840 customers.

DCT common stock is listed on the NYSE, trading under the symbol "DCT."

***The Combined Company (See page 47)***

References to the Combined Company are to Prologis after the effective time of the company merger. The Combined Company will continue to be named "Prologis, Inc." and will be a Maryland corporation. The Combined Company after the completion of the mergers is expected to have a pro forma enterprise value of approximately \$52.6 billion and a total market capitalization of approximately \$41.4 billion (each based on the closing price of Prologis' common stock on June 29, 2018 of \$65.69 per share). The Combined Company's asset base after the completion of the mergers will primarily consist of approximately 3,700 properties and development projects, on a wholly-owned basis or through co-investment ventures. The Combined Company will have a footprint in high-demand metropolitan areas throughout the world.

The business of the Combined Company will be operated through Prologis OP. Prologis will have the full, exclusive and complete responsibility for and discretion in the day-to-day management and control of Prologis OP.

The common stock of the Combined Company will continue to be listed on the NYSE, trading under the symbol "PLD."

The Combined Company's principal executive offices will continue to be located at Pier 1, Bay 1, San Francisco, California 94111, and its telephone number will be (415) 394-9000.

**The Mergers**

***The Merger Agreement (See page 99)***

The Prologis parties and the DCT parties have entered into the merger agreement attached as Annex A to this proxy statement/prospectus, which is incorporated herein by reference. Prologis and DCT encourage you to carefully read the merger agreement in its entirety because it is the principal document governing the mergers and the other transactions contemplated by the merger agreement.

The merger agreement provides that the closing of the mergers will take place at the offices of Goodwin Procter LLP, Three Embarcadero Center, San Francisco, California 94111 on the second business day following the date on which the last of the conditions to closing of the mergers has been satisfied or waived.

***The Mergers (See page 54)***

Upon the terms and subject to the conditions set forth in the merger agreement:

DCT will merge with and into Prologis, so that Prologis will be the surviving entity in the merger; and

DCT OP will merge with and into Prologis OP, so that Prologis OP will be the surviving entity in the merger.

Upon the consummation of the mergers described above, the separate existences of DCT and DCT OP will cease.



Table of Contents

***The Merger Consideration (See page 100)***

In the company merger, each share of DCT common stock issued and outstanding immediately prior to the company merger effective time will be automatically converted into the right to receive 1.02 validly issued, fully paid and non-assessable shares of Prologis common stock, subject to any withholding required under applicable tax law, plus the right, if any, to receive cash in lieu of fractional shares of Prologis common stock into which such shares of DCT common stock would have been converted pursuant to the merger agreement.

In the partnership merger, each DCT OP common unit outstanding immediately prior to the partnership merger effective time will be automatically converted into the right to receive 1.02 validly issued common units of Prologis OP. No fractional common units of Prologis OP will be issued in the partnership merger. Any fractional common unit of Prologis OP that would otherwise be issued to any holder of DCT OP common units will be rounded up to the nearest whole number.

***Recommendation of the DCT Board of Directors (See page 48)***

The DCT Board has unanimously (i) determined and declared that the mergers are advisable and in the best interests of DCT and its stockholders; (ii) approved each of the mergers and the other transactions contemplated by the merger agreement; and (iii) approved the merger agreement. The DCT Board made its determination after consultation with its legal and financial advisors and consideration of numerous factors.

The DCT Board unanimously recommends that the DCT stockholders vote **FOR** the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, **FOR** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and **FOR** the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

***The DCT Special Meeting (See page 48)***

DCT has agreed to hold a special meeting for the purpose of voting upon the approval of the company merger and other related matters. The DCT Board has agreed to recommend that the DCT stockholders approve the company merger and to use its reasonable best efforts to solicit the approval of the company merger at the special meeting. The special meeting of the DCT stockholders will be held at 555 17th Street, Suite 3700, Denver, Colorado 80202 on August 20, 2018, commencing at 10:00 a.m., local time.

At the DCT special meeting, the DCT stockholders will be asked to consider and vote upon the following matters:

1. a proposal to approve the company merger on the terms and conditions set forth in the merger agreement;
2. a non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement; and
3. a proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

Table of Contents

Approval of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement requires the affirmative vote of holders of a majority of the shares of outstanding DCT common stock entitled to vote on such proposal.

Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement requires the affirmative vote of a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement requires the affirmative vote of a majority of all votes cast on such proposal. Regardless of the outcome of the foregoing proposal, in accordance with DCT's bylaws and Maryland law, the chairman of the DCT special meeting will retain full authority to conclude, recess or adjourn the DCT special meeting to a later date and time and at a place announced at the DCT special meeting for any purpose, including, without limitation, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, or to postpone the DCT special meeting before it is convened, without a vote of the DCT stockholders.

At the close of business on the record date, directors and executive officers of DCT were entitled to vote 163,380 shares of DCT common stock, or approximately 0.17% of the shares of DCT common stock issued and outstanding on that date. DCT currently expects that all DCT directors and executive officers will vote their shares of DCT common stock in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement as well as the other proposals to be considered at the DCT special meeting, although none of them is contractually obligated to do so.

Your vote as a DCT stockholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the DCT special meeting in person.

**Opinion of DCT's Financial Advisor (See page 67 and Annex B)**

In connection with the company merger, Merrill Lynch, Pierce, Fenner & Smith Incorporated, or BofA Merrill Lynch, DCT's financial advisor, delivered to the DCT Board a written opinion, dated April 29, 2018, as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of DCT common stock of the Exchange Ratio provided for in the company merger. The full text of the written opinion, dated April 29, 2018, of BofA Merrill Lynch, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex B to this document and is incorporated by reference herein in its entirety. **BofA Merrill Lynch provided its opinion to the DCT Board (in its capacity as such) for the benefit and use of the DCT Board in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the company merger and no opinion or view was expressed as to the relative merits of the company merger in comparison to other strategies or transactions that might be available to DCT or in which DCT might engage or as to the underlying business decision of DCT to proceed with or effect the company merger. BofA Merrill Lynch's opinion does not constitute a recommendation to any stockholder as to how to vote or act in connection with the company merger or any other matter.**

**Treatment of the DCT Equity Awards (See pages 83 and 102)**

*Long-Term Incentive Plan Units.* Immediately prior to the partnership merger effective time, each issued and outstanding (i) unvested DCT LTIP unit shall automatically become fully vested in accordance with the terms of the DCT equity incentive plan and award agreement or other agreement or document evidencing such DCT LTIP unit, and (ii) vested DCT LTIP unit eligible for conversion

Table of Contents

into a DCT OP common unit prior to or at the partnership merger effective time shall automatically be converted into a DCT OP common unit pursuant to the DCT OP partnership agreement. At the partnership merger effective time, each issued and outstanding DCT LTIP unit not previously converted into a DCT OP common unit, if any, shall be automatically converted into 1.02 Prologis LTIP units. No fractional Prologis LTIP units will be issued in connection with the conversion of such DCT LTIP units. Any fractional Prologis LTIP units that would otherwise be issued to any holder of DCT LTIP units shall be rounded up to the nearest whole number and the holder of DCT LTIP units shall not be entitled to any further consideration with respect thereto.

*Restricted Stock.* Immediately prior to the company merger effective time, each issued and outstanding invested share of DCT common stock subject to a DCT restricted stock award granted under the DCT equity incentive plan shall automatically become fully vested, contingent upon the closing of the company merger, and shall automatically be converted into the right to receive the merger consideration in the same manner as all other shares of DCT common stock.

*Stock Options.* At the company merger effective time, each outstanding and unexercised option to purchase DCT common stock granted under the DCT equity incentive plan will vest in full and will terminate and will be converted into the right of the holder thereof to receive a number of shares of Prologis common stock, rounded down to the nearest whole number of shares, equal to (a) the Exchange Ratio multiplied by (b) the number of shares of DCT common stock obtained by (i) multiplying (A) the number of shares of DCT common stock that were subject to such option immediately prior to the company merger effective time by (B) the excess, if any, of the fair market value of a share of DCT common stock determined immediately prior to the company merger effective time over the per share exercise price of such option, and (ii) dividing the resulting amount determined under (i) by the fair market value of a share of DCT common stock determined immediately prior to the company merger effective time.

*Phantom Shares.* At the company merger effective time, each outstanding DCT phantom share granted under the DCT equity incentive plan will vest in full and the holder thereof will receive a number of shares of Prologis common stock per DCT phantom share equal to the number of shares of Prologis common stock that each DCT stockholder is entitled to receive per share of DCT common stock as the merger consideration.

See "The Merger Agreement Merger Consideration; Effects of the Company Merger and the Partnership Merger DCT Equity Incentive Plans" on page 102 for more information.

**Directors and Management of the Combined Company After the Mergers (See page 129)**

Immediately following the effective time of the company merger, the board of directors of the Combined Company will be increased to 12 members, with the 11 current Prologis directors, Hamid R. Moghadam, Irving F. Lyons III, Cristina G. Bitá, George L. Fotiades, Lydia H. Kennard, J. Michael Losh, David P. O'Connor, Olivier Piani, Jeffrey L. Skelton, Carl B. Webb and William D. Zollars, continuing as directors of the Combined Company. In addition, Philip L. Hawkins will join the board of directors of the Combined Company, to serve until the next annual meeting of the stockholders of the Combined Company (and until his successor qualifies and is duly elected). In the merger agreement, Prologis also agreed to nominate Mr. Hawkins for reelection at the 2019 annual meeting of Prologis' stockholders to serve until the next subsequent annual meeting of Prologis' stockholders and until his successor is duly elected and qualifies. Mr. Hawkins is currently DCT's President and Chief Executive Officer and a member of the DCT Board.

The executive officers of Prologis immediately prior to the effective time of the company merger will continue to serve as the executive officers of the Combined Company, with Hamid R. Moghadam continuing to serve as the Chief Executive Officer of the Combined Company. See "The Merger

Table of Contents

Agreement Board of Directors of Prologis Following the Mergers" on page 100 and "Directors and Management of the Combined Company After the Mergers" on page 129 for more information.

**Interests of DCT's Directors and Executive Officers in the Mergers (See page 82)**

The interests of DCT's directors and executive officers in the mergers that are different from, or in addition to, those of DCT's stockholders generally are described below. The DCT Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the mergers, and in recommending that the DCT stockholders approve the company merger and the other transactions contemplated by the merger agreement. These interests include:

accelerated vesting of all outstanding equity awards and settlement of all outstanding DCT phantom shares;

payment of pro rata annual cash bonuses for 2018;

entitlement to severance benefits under a preexisting employment agreement with DCT's Chief Executive Officer and DCT's Executive Change in Control and Severance Plan covering DCT's other executive officers; and

entitlement to continued indemnification, expense advancement and insurance coverage under indemnification agreements and the merger agreement.

**Listing of Prologis Common Stock; Delisting and Deregistration of DCT Common Stock (See page 98)**

It is a condition to each party's obligation to complete the mergers that the shares of Prologis common stock to be issued in connection with the mergers be approved for listing on the NYSE, subject to official notice of issuance. Prologis has agreed to use its reasonable best efforts to have the application for the listing of the Prologis common stock accepted by the NYSE as promptly as is practicable. After the company merger is completed, the shares of DCT common stock currently listed on the NYSE will cease to be listed on the NYSE and will be deregistered under the Exchange Act.

**Stockholder Appraisal Rights in the Mergers (See page 103)**

No dissenters' or appraisal rights or rights of objecting stockholders will be available with respect to the mergers or the other transactions contemplated by the merger agreement.

**Conditions to Completion of the Mergers (See page 122)**

The respective obligations of each of the DCT, DCT OP, Prologis and Prologis OP to effect the mergers are subject to the satisfaction or waiver of certain customary conditions, including the approval of the company merger by the DCT stockholders, the absence of any legal prohibitions, the accuracy of the representations and warranties, subject to customary materiality qualifiers, and compliance by the other parties with their respective obligations under the merger agreement, subject to customary materiality qualifiers.

Neither DCT nor Prologis can be certain when, or if, the conditions to the mergers will be satisfied or waived, or that the mergers will be effected. See "The Merger Agreement Conditions to Completion of the Mergers" beginning on page 122 for more information.

**Regulatory Approvals Required for the Mergers (See page 91)**

The consummation of the mergers and the other transactions contemplated by the merger agreement is not subject to the receipt of any governmental approvals or the expiration of any regulatory waiting period.

Table of Contents

**Non-Solicitation of Acquisition Proposals (See page 115)**

The merger agreement provides that DCT shall not, and shall cause its subsidiaries and its and their respective officers and directors not to, and shall instruct and use its reasonable best efforts to cause its and their respective affiliates, trustees, employees or consultants or investment bankers, financial advisors, attorneys, accountants or other representative retained by such person or entity not to, directly or indirectly:

solicit, initiate or knowingly encourage or knowingly facilitate (including by way of furnishing non-public information), any inquiries, indications of interest or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, an acquisition proposal (as defined in "The Merger Agreement No Solicitation of Transactions");

engage in, continue or otherwise participate in any negotiations or discussions concerning, or provide any non-public information or data to any person or entity relating to, an acquisition proposal or any inquiries, proposals, indications of interest or offers that constitute, or would reasonably be expected to lead to an acquisition proposal;

approve or execute or enter into any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement providing for any acquisition proposal; or

propose or agree to do any of the foregoing.

DCT or its representatives may, however, contact a person or entity who has submitted an unsolicited *bona fide* written acquisition proposal for the sole purpose of clarifying the terms of such acquisition proposal in connection with determining whether such acquisition proposal constitutes, or would reasonably be likely to lead to, a superior proposal.

Notwithstanding these restrictions, under certain circumstances, and to the extent that the DCT Board concludes in good faith, after receiving the advice of its outside legal counsel and its financial advisors, that an acquisition proposal either constitutes or would reasonably be expected to lead to a superior proposal (as defined in "The Merger Agreement No Solicitation of Transactions") and that failure to do so would be inconsistent with their duties as directors under applicable law, DCT may, prior to the time the company merger is approved by the DCT stockholders, make available non-public information or data, and engage in discussions and negotiations, with respect to certain unsolicited bona fide written acquisition proposals that did not result from a breach of the merger agreement.

See "The Merger Agreement Covenants and Agreements No Solicitation of Transactions" on page 115 for more information.

**No Change of Board Recommendation; No Entry into Alternative Transactions (See page 115)**

Prior to obtaining the approval of the DCT stockholders of the company merger, the DCT Board may make a change in company recommendation (as defined in "The Merger Agreement No Solicitation of Transactions" beginning on page 115), if and only if:

(i) DCT has received an unsolicited *bona fide* written acquisition proposal that did not result from a breach of DCT's non-solicitation covenant and covenants restricting the sharing of information in the merger agreement (and such proposal is not withdrawn) and the DCT Board concludes in good faith (after consultation with its outside legal counsel and its financial advisors) that such acquisition proposal constitutes a superior proposal or (ii) an intervening event (as defined in "The Merger Agreement No Solicitation of Transactions") has occurred *and* in the case of either (i) or (ii), the DCT Board concludes in good faith (after consultation with its outside counsel) that the failure to take such action would be inconsistent with their duties as directors under applicable law;

Table of Contents

DCT gives Prologis at least four business days' prior written notice of its intention to take such action and which notice (i) in the case of an acquisition proposal, specifies in reasonable detail the reasons for DCT taking such action, including the material terms and conditions of any such superior proposal that is the basis of the proposed action and (ii) in the case of an intervening event, advising Prologis that DCT intends to take such action and specifying in reasonable detail the reasons therefor; and

during such notice period, the DCT Board considers, and, if requested by Prologis, engages and causes its representatives to engage in good faith discussions with Prologis regarding any adjustment or modification of the terms of the merger agreement proposed by Prologis and the DCT Board, following such notice period, again concludes in good faith (after consultation with its outside legal counsel and its financial advisors and taking into account any adjustment or modification of the terms of the merger agreement proposed by Prologis) that (i) in the case of both an acquisition proposal and an intervening event, the failure to do so would be inconsistent with their duties as directors under applicable law and (ii) in the case of an acquisition proposal, such acquisition proposal continues to constitute a superior proposal.

Unless the merger agreement is terminated with respect to a superior proposal, notwithstanding a change in company recommendation, DCT shall cause the approval of the company merger to be submitted to a vote of its stockholders. In addition, DCT shall not submit to the vote of its stockholders any acquisition proposal other than the company merger prior to the termination of the merger agreement.

See "The Merger Agreement Covenants and Agreements No Solicitation of Transactions" on page 115 for more information.

**Termination of the Merger Agreement (See page 125)**

The merger agreement may be terminated and the mergers may be abandoned at any time prior to the partnership merger effective time, whether before or after the receipt of the approval of the company merger by the DCT stockholders, under the following circumstances:

by mutual written consent of DCT and Prologis;

by either DCT or Prologis if:

upon a vote at the DCT stockholder meeting, the approval of the company merger by the DCT stockholders is not obtained (except this right to terminate is not available to DCT if the failure to obtain such DCT stockholder approval was primarily caused by any action or failure to act of any of the DCT parties that constitutes a material breach of their respective obligations with respect to the preparation of the proxy statement/prospectus or holding the DCT stockholder meeting or non-solicitation of acquisition proposals and changes in the recommendation of the DCT Board);

a governmental authority of competent jurisdiction shall have issued an order, decree, judgment, injunction or taken any other action, which permanently restrains, enjoins or otherwise prohibits or makes illegal the consummation of the mergers, and such order, decree, judgment, injunction or other action shall have become final and non-appealable; or

the mergers shall not have been consummated on or before 5:00 p.m. (New York time) on December 31, 2018, or the Outside Closing Date, unless the failure to consummate the mergers on or before such date shall have been primarily caused by, or the result of, the failure of the party seeking to terminate the merger agreement to comply with any provision of the merger agreement.

Table of Contents

by DCT if:

at any time prior to the receipt of the approval of the company merger by the DCT stockholders, in order to enter into an acquisition agreement with respect to a superior proposal in compliance with the terms of the merger agreement (provided that the merger agreement may not be so terminated unless DCT concurrently pays the termination fee described below); or

there has been a breach or failure to perform in any material respect by any of the Prologis parties of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of any of the Prologis parties, which breach or failure to perform, either individually or in the aggregate, would result in, if occurring or continuing on the closing date, the failure to be satisfied of certain closing conditions, unless such breach is reasonably capable of being cured by the earlier of 30 days after notice of such breach or failure to perform is given or two business days prior to the Outside Closing Date unless any of the DCT parties is in breach of any of its own respective representations, warranties, covenants or agreements set forth in the merger agreement such that certain closing conditions would not be satisfied.

by Prologis if:

prior to obtaining the approval of the DCT stockholders of the company merger, the DCT Board shall make a change in company recommendation;

upon a willful breach of the non-solicitation covenants by any DCT party; or

there has been a breach or failure to perform in any material respect by any of the DCT parties of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of any of the DCT parties, which breach or failure to perform, either individually or in the aggregate, would result in, if occurring or continuing on the closing date, the failure to be satisfied of certain closing conditions, unless such breach is reasonably capable of being cured by the earlier of 30 days after notice of such breach or failure to perform is given or two business days prior to the Outside Closing Date unless any of the Prologis parties is in breach of any of its own respective representations, warranties, covenants or agreements set forth in the merger agreement such that certain closing conditions would not be satisfied.

See "The Merger Agreement Termination of the Merger Agreement" beginning on page 125 for more information.

**Termination Fee and Expenses (See page 126)**

DCT must pay to Prologis a termination fee in the amount of \$216 million if the merger agreement is terminated in the following circumstances:

DCT terminates the merger agreement, at any time prior to the receipt of the DCT stockholder approval, to enter into an acquisition agreement with respect to a superior proposal; or

Prologis terminates the merger agreement following a change in company recommendation by the DCT Board.

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

### Table of Contents

DCT must pay to Prologis a termination fee in the amount of \$216 million in the following instances (provided that for purposes of the analysis below, the references to "20%" in the definition of "acquisition proposal" in the merger agreement shall instead be "50%"):

In the event that:

DCT receives or has received a *bona fide* acquisition proposal with respect to DCT that has been publicly announced or otherwise communicated to the DCT Board prior to the time of the DCT stockholder meeting;

thereafter (i) DCT or Prologis terminates the merger agreement as a result of the failure to obtain the approval of the company merger by the DCT stockholders following a vote at the DCT stockholder meeting, (ii) DCT or Prologis terminates the merger agreement for the failure of the consummation of the mergers to occur on or before the Outside Closing Date or (iii) Prologis terminates the merger agreement as a result of DCT's or DCT OP's breach or failure to perform in any material respect any of its representations, warranties, covenants or agreements contained in the merger agreement, subject to a cure right as further described below; and

before the date that is twelve months after the date of termination of the merger agreement, DCT consummates an acquisition proposal or enters into an acquisition agreement.

However, the termination fee will only be \$100 million if:

the merger agreement is terminated:

by DCT prior to the receipt of the DCT stockholder approval in order to enter into an acquisition agreement with respect to a superior proposal from a qualified bidder in compliance with the merger agreement; or

by Prologis following a change in company recommendation by the DCT Board as a result of superior proposal from a qualified bidder; and

a bidder will be a qualified bidder if such bidder made a *bona fide* written acquisition proposal on or prior to 11:59 p.m. (New York time) on May 29, 2018 that, on or prior to such date, the DCT Board concluded in good faith (after consultation with its outside legal counsel and its financial advisors) either constituted or would reasonably be expected to lead to a superior proposal; and

the termination of the merger agreement occurred prior to the later of the following:

11:59 p.m. (New York time) on June 13, 2018; and

11:59 p.m. (New York time) on the first day after the end of any notice period (including any extensions thereof) with respect to a superior proposal by a qualified bidder for which such notice period commenced on or prior to June 13, 2018.

DCT did not receive a *bona fide* written acquisition proposal from any bidders, including any qualified bidders, on or prior to 11:59 p.m. (New York time) on May 29, 2018.



## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

DCT has agreed to pay to Prologis all documented reasonable out-of-pocket expenses (including fees and expenses of counsel and other advisors) paid or payable by any of the Prologis parties in connection with the merger agreement and the transactions contemplated by the merger agreement up to a maximum of \$15 million if the merger agreement is terminated by either DCT or Prologis because the DCT stockholders fail to approve the company merger at a duly convened meeting. See "The Merger Agreement Termination of the Merger Agreement" beginning on page 125 for more information.

Table of Contents

**Remedies (See page 128)**

The parties to the merger agreement are entitled to seek an injunction or injunctions to prevent breaches of the merger agreement by any other party and to specifically enforce the terms and provisions of the merger agreement.

**Litigation Relating to the Mergers (See page 98)**

On July 2, 2018, DCT, DCT OP, the DCT Board, Prologis, and Prologis OP were sued in a putative class action lawsuit, captioned *Rosenblatt v. DCT Industrial Trust Inc. et al.*, Case No. 1:18-cv-01678 (the "*Rosenblatt* Action"), filed in the United States District Court for the District of Colorado, in connection with DCT's proposed merger with Prologis and the related Form S-4. The complaint in the *Rosenblatt* Action alleges that DCT, DCT OP, the DCT Board, Prologis, and Prologis OP violated federal securities laws by omitting material information from the Form S-4, rendering the Form S-4 materially deficient. On July 10, 2018, DCT and the DCT Board were sued in another putative class action lawsuit, captioned *Bushansky v. DCT Industrial Trust, Inc.*, Case No. 1:18-cv-01758 (the "*Bushansky* Action"), also filed in the United States District Court for the District of Colorado, and also in connection with DCT's proposed merger with Prologis and the related Form S-4. The complaint in the *Bushansky* Action alleges that DCT and the DCT Board violated federal securities laws by omitting from the Form S-4, and/or misrepresenting in the Form S-4, material information, rendering the Form S-4 materially deficient. Plaintiffs in the *Rosenblatt* and *Bushansky* Actions seek, among other things, (i) to enjoin the transaction (or rescind it to the extent it is completed), and (ii) attorneys' fees and costs in connection with these lawsuits. If additional similar complaints are filed, absent new or different allegations that are material, neither DCT nor Prologis will necessarily announce such additional filings.

Although the ultimate outcome of litigation cannot be predicted with certainty, DCT and Prologis believe that these lawsuits are without merit and intend to defend against these actions vigorously.

**Material United States Federal Income Tax Consequences of the Company Merger (See page 92)**

Prologis and DCT intend that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The closing of the mergers is conditioned on the receipt by each of Prologis and DCT of an opinion from its respective counsel to the effect that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the company merger qualifies as a reorganization, United States holders of shares of DCT common stock are not expected to recognize gain or loss as a result of the company merger (except with respect to the receipt of cash in lieu of fractional shares of Prologis common stock).

For further discussion of certain United States federal income tax consequences of the company merger and the ownership and disposition of the Combined Company common stock, see "The Mergers Material United States Federal Income Tax Consequences of the Company Merger" beginning on page 92 and "Material United States Federal Income Tax Considerations Applicable to Holders of the Combined Company Stock" beginning on page 130.

Holders of shares of DCT common stock should consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-United States income and other tax laws) of the company merger and the ownership and disposition of the Combined Company common stock.

**Accounting Treatment of the Mergers (See page 97)**

Prologis prepares its financial statements in accordance with United States generally accepted accounting principles, which we refer to as GAAP. The mergers will be accounted for by using the

Table of Contents

business combination accounting rules. See "The Merger Accounting Treatment" beginning on page 97 for more information.

**Comparison of Rights of Prologis Stockholders and DCT Stockholders (See page 163)**

The rights of DCT stockholders are currently governed by and subject to the provisions of the Maryland General Corporation Law, or the MGCL, and the charter and bylaws of DCT. Upon consummation of the company merger, the rights of the former DCT stockholders who receive shares of Prologis common stock in the company merger will be governed by the MGCL and the Prologis charter and bylaws, rather than the charter and bylaws of DCT. In particular, as is typical for REITs in order to protect their status as a REIT, the Prologis charter provides that, with limited exceptions, no person may beneficially own, or be deemed to beneficially own by virtue of the attribution provisions of the Code, more than 9.8% of the outstanding shares of Prologis' capital stock.

**Selected Historical Financial Information of Prologis**

The following selected historical financial information for each of the years during the five-year period ended December 31, 2017 and the selected balance sheet data as of December 31 for each of the years in the five-year period ended December 31, 2017 have been derived from Prologis' audited consolidated financial statements. The selected historical financial information for the three months ended March 31, 2018 and 2017 and the selected balance sheet data as of March 31, 2018 have been derived from Prologis' unaudited interim consolidated financial statements.

You should read the selected historical financial information presented below together with the consolidated financial statements and the related notes thereto and management's discussion and analysis of financial condition and results of operations of Prologis included in Prologis' Annual Report on Form 10-K for the year ended December 31, 2017 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which are incorporated herein by reference. See also "Where You Can Find More Information and Incorporation by Reference" beginning on page 182.

	Three Months Ended March 31,		For the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(in millions, except per share amounts)						
<b>Operating Data:</b>							
Total revenues	\$ 694	\$ 629	\$ 2,618	\$ 2,533	\$ 2,197	\$ 1,761	\$ 1,750
Total expenses	\$ 457	\$ 467	\$ 1,847	\$ 1,865	\$ 1,817	\$ 1,441	\$ 1,446
Operating income	\$ 237	\$ 162	\$ 771	\$ 668	\$ 380	\$ 320	\$ 304
Interest expense	\$ 47	\$ 73	\$ 274	\$ 303	\$ 301	\$ 309	\$ 379
Consolidated net earnings	\$ 392	\$ 221	\$ 1,761	\$ 1,293	\$ 926	\$ 739	\$ 353
Net earnings attributable to common stockholders	\$ 366	\$ 203	\$ 1,642	\$ 1,203	\$ 863	\$ 622	\$ 315
Net earnings per share attributable to common stockholders Basic(1)	\$ 0.69	\$ 0.38	\$ 3.10	\$ 2.29	\$ 1.66	\$ 1.25	\$ 0.65
Net earnings per share attributable to common stockholders Diluted(1)	\$ 0.68	\$ 0.38	\$ 3.06	\$ 2.27	\$ 1.64	\$ 1.24	\$ 0.64
Weighted average common shares outstanding:							
Basic	532	529	530	526	521	500	486
Diluted	554	550	552	547	534	506	492
<b>Common Share Dividends:</b>							
Common share dividends paid per share	\$ 0.48	\$ 0.44	\$ 1.76	\$ 1.68	\$ 1.52	\$ 1.32	\$ 1.12

(1)

In 2014, the accounting standard changed for classifying and reporting discontinued operations and none of Prologis' dispositions since adoption met the qualifications to be reported as discontinued

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

### Table of Contents

operations. In 2013, Prologis' net earnings per share attributable to common stockholders and unitholders for basic and diluted included \$0.25 per share attributable to discontinued operations.

	As of March 31,		As of December 31,			
	2018	2017	2016	2015	2014	2013
(in millions)						
<b>Financial Position:</b>						
Investments in real estate properties	\$ 25,876	\$ 25,839	\$ 27,119	\$ 27,521	\$ 22,190	\$ 20,824
Net investments in real estate properties	\$ 21,677	\$ 21,779	\$ 23,361	\$ 24,247	\$ 19,399	\$ 18,255
Investments in and advances to unconsolidated entities	\$ 5,676	\$ 5,496	\$ 4,230	\$ 4,756	\$ 4,825	\$ 4,430
Total assets	\$ 29,671	\$ 29,481	\$ 30,250	\$ 31,395	\$ 25,775	\$ 24,572
Total debt	\$ 9,460	\$ 9,413	\$ 10,608	\$ 11,627	\$ 9,337	\$ 9,011
Total liabilities	\$ 10,883	\$ 10,775	\$ 11,792	\$ 12,974	\$ 10,591	\$ 10,396
Noncontrolling interests	\$ 3,108	\$ 3,075	\$ 3,467	\$ 3,753	\$ 1,208	\$ 465
Prologis, Inc. shareholders' equity	\$ 15,680	\$ 15,631	\$ 14,991	\$ 14,668	\$ 13,976	\$ 13,711
Number of common shares outstanding	533	532	529	525	509	499

### ***Funds From Operations Attributable to Common Stockholders/Unitholders***

Funds From Operations, or FFO, is a non-GAAP financial measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings.

The National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as earnings computed under GAAP to exclude historical cost depreciation and gains and losses from the sales, along with impairment charges, of depreciable properties. Prologis also excludes the gains on revaluation of equity investments upon acquisition of a controlling interest and the gain recognized from a partial sale of its investment, as these are similar to gains from the sales of depreciable properties. Prologis excludes similar adjustments from its unconsolidated entities and the third parties' share of its consolidated co-investment ventures.

**Prologis' FFO Measures.** Prologis' FFO measures begin with NAREIT's definition, and Prologis makes certain adjustments to reflect its business and the way that management plans and executes its business strategy. While not infrequent or unusual, the additional items Prologis adjusts for in calculating FFO, as modified by Prologis and Core FFO (both as defined below), are subject to significant fluctuations from period to period. Although these items may have a material impact on Prologis' operations and are reflected in its financial statements, the removal of the effects of these items allows Prologis to better understand the core operating performance of its properties over the long-term. These items have both positive and negative short-term effects on Prologis' results of operations in inconsistent and unpredictable directions that are not relevant to its long-term outlook.

Prologis calculates its FFO measures, as defined below, based on its proportionate ownership share of both its unconsolidated and consolidated ventures. Prologis reflects its share of its FFO measures for unconsolidated ventures by applying its average ownership percentage for the period to the applicable reconciling items on an entity by entity basis. Prologis reflects its share for consolidated ventures in which it does not own 100% of the equity by adjusting its FFO measures to remove the noncontrolling interests share of the applicable reconciling items based on its average ownership percentage for the applicable periods.

These FFO measures are used by Prologis' management as supplemental financial measures of operating performance and it believes that it is important that stockholders, potential investors and financial analysts understand the measures management uses. Prologis does not use its FFO measures as, nor should they be considered to be, alternatives to net earnings computed under GAAP, as indicators of Prologis' operating performance, as alternatives to cash from operating activities computed under GAAP or as indicators of Prologis' ability to fund its cash needs.

Table of Contents

Prologis analyzes its operating performance primarily by the rental revenues of its real estate and the revenues from its strategic capital business, net of operating, administrative and financing expenses. This income stream is not directly impacted by fluctuations in the market value of our investments in real estate or debt securities.

*FFO, as modified by Prologis attributable to common stockholders and unitholders, or FFO, as modified by Prologis.* To arrive at FFO, as modified by Prologis, Prologis adjusts the NAREIT defined FFO measure to exclude the impact of foreign currency related items and deferred tax, specifically:

deferred income tax benefits and deferred income tax expenses recognized by its subsidiaries;

current income tax expense related to acquired tax liabilities that were recorded as deferred tax liabilities in an acquisition, to the extent the expense is offset with a deferred income tax benefit in earnings that is excluded from its defined FFO measure;

unhedged foreign currency exchange gains and losses resulting from debt transactions between Prologis and its foreign consolidated subsidiaries and its foreign unconsolidated entities;

foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of certain third-party debt of Prologis' foreign consolidated and unconsolidated entities; and

mark-to-market adjustments associated with derivative financial instruments.

Prologis uses FFO, as modified by Prologis, so that management, analysts and investors are able to evaluate Prologis' performance against other REITs that do not have similar operations or operations in jurisdictions outside the United States.

*Core FFO attributable to common stockholders and unitholders, or Core FFO.* In addition to FFO, as modified by Prologis, Prologis also uses Core FFO. To arrive at Core FFO, Prologis adjusts FFO, as modified by Prologis, to exclude the following recurring and nonrecurring items that Prologis recognized directly in FFO, as modified by Prologis:

gains or losses from the disposition of land and development properties that were developed with the intent to contribute or sell;

income tax expense related to the sale of investments in real estate and third-party acquisition costs related to the acquisition of real estate;

impairment charges recognized related to Prologis' investments in real estate generally as a result of its change in intent to contribute or sell these properties;

gains or losses from the early extinguishment of debt and redemption and repurchase of preferred stock; and

expenses related to natural disasters.

Prologis uses Core FFO, including by segment and region, to: (i) assess its operating performance as compared to other real estate companies; (ii) evaluate its performance and the performance of its properties in comparison with expected results and results of previous periods; (iii) evaluate the performance of its management; (iv) budget and forecast future results to assist in the allocation of resources; (v) provide guidance to the financial markets to understand its expected operating performance; and (vi) evaluate how a specific potential investment will impact its future results.

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

*Limitations on the use of Prologis' FFO measures.* While Prologis believes its modified FFO measures are important supplemental measures, neither NAREIT's nor Prologis' measures of FFO should be used alone because they exclude significant economic components of net earnings computed

Table of Contents

under GAAP and are, therefore, limited as an analytical tool. Accordingly, these are only a few of the many measures Prologis uses when analyzing its business. Some of the limitations are:

The current income tax expenses and acquisition costs that are excluded from Prologis' modified FFO measures represent the taxes and transaction costs that are payable.

Depreciation and amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. Furthermore, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of logistics facilities are not reflected in FFO.

Gains or losses from non-development property dispositions and impairment charges related to expected dispositions represent changes in value of the properties. By excluding these gains and losses, FFO does not capture realized changes in the value of disposed properties arising from changes in market conditions.

The deferred income tax benefits and expenses that are excluded from Prologis' modified FFO measures result from the creation of a deferred income tax asset or liability that may have to be settled at some future point. Prologis' modified FFO measures do not currently reflect any income or expense that may result from such settlement.

The foreign currency exchange gains and losses that are excluded from Prologis' modified FFO measures are generally recognized based on movements in foreign currency exchange rates through a specific point in time. The ultimate settlement of Prologis' foreign currency-denominated net assets is indefinite as to timing and amount. Prologis' FFO measures are limited in that they do not reflect the current period changes in these net assets that result from periodic foreign currency exchange rate movements.

The gains and losses on extinguishment of debt or preferred stock that Prologis excludes from its Core FFO, may provide a benefit or cost to Prologis as it may be settling its debt at less or more than its future obligation.

The natural disaster expenses that Prologis excludes from Core FFO are costs that Prologis has incurred.

Prologis compensates for these limitations by using its FFO measures only in conjunction with net earnings computed under GAAP when making its decisions. This information should be read with Prologis' complete consolidated financial statements prepared under GAAP. To assist investors in compensating for these limitations, Prologis reconciles its modified FFO measures to its net earnings computed under GAAP below.

Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

Table of Contents

The following table is a reconciliation of Prologis' FFO measures to net earnings computed under GAAP for the three months ended March 31, 2018 and 2017 and for each of the years during the five-year period ended December 31, 2017:

	Three Months Ended March 31,		For the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(in millions, except per share amounts)							
<b>FFO:</b>							
Reconciliation of net earnings to FFO measures:							
Net earnings attributable to common stockholders	\$ 366	\$ 203	\$ 1,642	\$ 1,203	\$ 863	\$ 622	\$ 315
Add (deduct) NAREIT defined adjustments:							
Real estate related depreciation and amortization	196	219	848	900	855	618	625
Gains on dispositions of investments in real estate properties and revaluation of equity investments upon acquisition of a controlling interest, net	(37)	(67)	(855)	(423)	(501)	(553)	(271)
Reconciling items related to noncontrolling interests	(10)	(25)	(39)	(105)	(78)	48	(9)
Our share of reconciling items included in earnings from unconsolidated entities	52	33	147	162	185	186	160
<b>NAREIT defined FFO</b>	<b>\$ 567</b>	<b>\$ 363</b>	<b>\$ 1,743</b>	<b>\$ 1,737</b>	<b>\$ 1,324</b>	<b>\$ 921</b>	<b>\$ 820</b>
Add (deduct) our modified adjustments:							
Unrealized foreign currency and derivative losses (gains) and related amortization, net	\$ 34	\$ 12	\$ 69	\$ (8)	\$ 1	\$ 19	\$ 32
Deferred income tax expense (benefit), net	(2)	2	(5)	(5)	(5)	(87)	(20)
Current income tax expense (benefit) related to acquired tax liabilities	1	(1)	2		4	30	21
Reconciling items related to noncontrolling interests				1	(1)		
Our share of reconciling items included in earnings from unconsolidated entities	(2)	2	(14)	(23)	(14)	5	2
<b>FFO, as modified by Prologis</b>	<b>\$ 598</b>	<b>\$ 378</b>	<b>\$ 1,795</b>	<b>\$ 1,702</b>	<b>\$ 1,309</b>	<b>\$ 888</b>	<b>\$ 855</b>
Adjustments to arrive at Core FFO:							
Gains on dispositions of development properties and land, net	\$ (158)	\$ (30)	\$ (328)	\$ (334)	\$ (258)	\$ (173)	\$ (428)
Current income tax expense (benefit) on dispositions	7	(1)	19	24		15	88
Acquisition expenses				4	47	4	3
Losses (gains) on early extinguishment of debt and repurchase of preferred stock, net	1		72	(2)	86	172	286
Reconciling items related to noncontrolling interests	(1)	(1)		4	(11)		
Our share of reconciling items included in earnings from unconsolidated entities	(4)	1	(7)	2	8	47	9
<b>Core FFO</b>	<b>\$ 443</b>	<b>\$ 347</b>	<b>\$ 1,551</b>	<b>\$ 1,400</b>	<b>\$ 1,181</b>	<b>\$ 953</b>	<b>\$ 813</b>



Table of Contents**Selected Historical Financial Information of DCT**

Except for the Other Data as shown below, the following selected historical financial information for each of the years during the five-year period ended December 31, 2017 and the selected balance sheet data as of December 31 for each of the years in the five-year period ended December 31, 2017 have been derived from DCT's audited consolidated financial statements. The selected historical financial information for the three months ended March 31, 2018 and 2017 and the selected balance sheet data as of March 31, 2018 and 2017 have been derived from DCT's unaudited interim consolidated financial statements.

You should read the selected historical financial information presented below together with the consolidated financial statements and the related notes thereto and management's discussion and analysis of financial condition and results of operations of DCT included in DCT's Annual Report on Form 10-K for the year ended December 31, 2017 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which are incorporated herein by reference. See also "Where You Can Find More Information and Incorporation by Reference" beginning on page 182.

	Three Months Ended March 31,		For the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(in millions, except per share amounts)							
<b>Operating Data:</b>							
Total revenues	\$ 109.8	\$ 105.9	\$ 424.5	\$ 392.8	\$ 354.7	\$ 336.5	\$ 289.0
Total operating expenses	\$ 75.7	\$ 74.8	\$ 300.2	\$ 284.7	\$ 284.7	\$ 277.7	\$ 237.7
Income (loss) from continuing operations	\$ 50.9	\$ 15.8	\$ 108.5	\$ 98.0	\$ 103.0	\$ 46.5	\$ (9.3)
Income from discontinued operations	\$	\$	\$	\$	\$	\$ 5.7	\$ 26.7
Gain on dispositions of real estate interests	\$ 32.2		\$ 47.1	\$ 49.9	\$ 77.9	\$ 39.7	\$
Net income attributable to common stockholders	\$ 48.8	\$ 15.0	\$ 103.5	\$ 93.1	\$ 94.0	\$ 49.2	\$ 15.9
<b>Net Earnings per Common Share Basic:</b>							
Net earnings attributable to common stockholders	\$ 0.52	\$ 0.16	\$ 1.11	\$ 1.03	\$ 1.06	\$ 0.58	\$ 0.20

**Net Earnings per Common Share Diluted:**

Net earnings attributable to common stockholders	\$ 0.52	\$ 0.16	\$ 1.11	\$ 1.03	\$ 1.05	\$ 0.58	\$ 0.20
--	---------	---------	---------	---------	---------	---------	---------

**Weighted Average Common Shares****Outstanding:(1)**

Basic	93.8	91.8	92.6	89.9	88.2	83.3	74.7
Diluted	93.8	91.9	92.7	90.0	88.5	83.6	74.7
Common share cash distributions declared per share	\$ 0.36	\$ 0.31	\$ 1.29	\$ 1.18	\$ 1.13	\$ 1.12	\$ 1.12

	As of March 31,		As of December 31,			
	2018	2017	2016	2015	2014	2013
(in millions)						
<b>Balance Sheet Data:</b>						
Total assets	\$ 4,055.8	\$ 4,010.7	\$ 3,808.1	\$ 3,632.4	\$ 3,445.7	\$ 3,259.0
Total liabilities	\$ 1,972.8	\$ 1,961.2	\$ 1,843.4	\$ 1,763.2	\$ 1,580.3	\$ 1,591.8



Table of Contents

	For the Three Months		For the Years Ended December 31,				
	Ended March 31,		2017	2016	2015	2014	2013
	2018	2017					
<b>Other Data:</b>							
FFO attributable to common stockholders and unitholders basic and diluted(2)	\$ 61.1	\$ 58.7	\$ 234.0	\$ 214.0	\$ 180.9	\$ 164.0	\$ 140.6
FFO, as adjusted, attributable to common stockholders and unitholders basic and diluted(2)	\$ 61.5	\$ 58.7	\$ 236.9	\$ 214.7	\$ 186.4	\$ 167.0	\$ 144.2

Note: Per share amounts may not recalculate due to rounding.

- (1) On November 17, 2014, DCT completed a one-for-four reverse stock split of its issued and outstanding common stock and a corresponding reverse split of the partnership interests of DCT OP. The number of authorized shares and the par value of the common stock were not changed. All common stock/unit and per share/unit data for all periods presented have been restated to give effect to the reverse stock split.
- (2) See description of FFO and FFO, as adjusted below.

***Funds From Operations of DCT***

DCT believes that net income (loss) attributable to common stockholders, as defined by GAAP, is the most appropriate earnings measure. However, DCT considers FFO, as defined by NAREIT, to be a useful supplemental, non-GAAP measure of DCT's operating performance. DCT excludes gains and losses on business combinations and includes the gains or losses from dispositions of properties which were acquired or developed with the intention to sell or contribute to an investment fund in its definition of FFO. Although the NAREIT definition of FFO predates the guidance for accounting for gains and losses on business combinations, DCT believes that excluding such gains and losses is consistent with the key objective of FFO as a performance measure. DCT also presents FFO, as adjusted, which excludes hedge ineffectiveness, certain severance costs, acquisition costs, debt modification costs, impairment losses on properties which are not depreciable and expense related to the Tax Cuts and Jobs Act of 2017 impact. DCT believes that FFO excluding hedge ineffectiveness, certain severance costs, acquisition costs, debt modification costs, impairment losses on non-depreciable real estate and expense related to the Tax Cuts and Jobs Act of 2017 impact is useful supplemental information regarding its operating performance as it provides a more meaningful and consistent comparison of DCT's operating performance and allows investors to more easily compare DCT's operating results. Readers should note that FFO captures neither the changes in the value of DCT's properties that result from use or market conditions, nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of DCT's properties, all of which have real economic effect and could materially impact DCT's results from operations. NAREIT's definition of FFO is subject to interpretation, and modifications to the NAREIT definition of FFO are common. Accordingly, DCT's FFO may not be comparable to other REITs' FFO and FFO should be considered only as a supplement to net income (loss) as a measure of DCT's performance.

Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

Table of Contents

The following table is a reconciliation of DCT's funds from operations, or FFO and FFO, as adjusted, to its net income attributable to DCT common stockholders for the three months ended March 31, 2018 and 2017 and for the years ended December 31, 2017, 2016, 2015, 2014 and 2013:

	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(in millions, except per share amounts)						
Net income attributable to common stockholders	\$ 48.8	\$ 15.0	\$ 103.5	\$ 93.1	\$ 94.0	\$ 49.2	\$ 15.9
Adjustments:							
Real estate related depreciation and amortization	41.2	41.6	168.2	161.3	156.0	149.0	137.1
Equity in earnings of unconsolidated joint ventures, net	(1.1)	(1.5)	(6.4)	(4.1)	(7.3)	(6.5)	(2.4)
Equity in FFO of unconsolidated joint ventures(1)	2.8	3.2	12.3	10.3	9.9	10.8	10.2
Impairment losses on depreciable real estate			0.3		2.3	5.8	13.3
Gain on business combination						(1.0)	
Gain on dispositions of real estate interests	(32.2)		(47.1)	(49.9)	(77.9)	(45.2)	(33.7)
Gain on dispositions of non-depreciable real estate						0.1	
Noncontrolling interest in the above adjustments	(0.5)	(1.8)	(5.3)	(5.6)	(4.5)	(6.3)	(8.2)
FFO attributable to unitholders	2.1	2.3	8.5	8.9	8.3	8.1	8.4
FFO attributable to common stockholders and unitholders basic and diluted	61.1	58.8	234.0	214.0	180.8	164.0	140.6
Adjustments:							
Acquisition costs				1.1	1.9	3.0	3.6
Severance costs					3.6		
Hedge ineffectiveness (non-cash)(2)				(0.4)			
Impairment loss on land	0.4		0.9				
Tax Cuts and Jobs Act of 2017 impact			2.0				
FFO, as adjusted, attributable to common stockholders and unitholders basic and diluted	\$ 61.5	\$ 58.7	\$ 236.9	\$ 214.7	\$ 186.4	\$ 167.0	\$ 144.2
FFO per common share and unit basic	\$ 0.63	\$ 0.61	\$ 2.42	\$ 2.27	\$ 1.95	\$ 1.86	\$ 1.76
FFO per common share and unit diluted	\$ 0.63	\$ 0.61	\$ 2.42	\$ 2.27	\$ 1.94	\$ 1.85	\$ 1.75
FFO, as adjusted, per common share and unit basic	\$ 0.63	\$ 0.61	\$ 2.45	\$ 2.28	\$ 2.00	\$ 1.89	\$ 1.80
FFO, as adjusted, per common share and unit diluted	\$ 0.63	\$ 0.61	\$ 2.45	\$ 2.27	\$ 2.00	\$ 1.89	\$ 1.80
FFO weighted average common shares and units outstanding:							
Common shares	93.8	91.8	92.6	89.9	88.2	83.3	74.7
Participating securities	0.5	0.5	0.5	0.6	0.6	0.6	0.6

Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

Units	3.3	3.7	3.5	3.9	4.2	4.3	4.8
FFO weighted average common shares, participating securities and units outstanding basic	97.6	95.9	96.5	94.3	93.0	88.2	80.1
Dilutive common stock equivalents		0.1	0.1	0.1	0.3	0.3	0.2
FFO weighted average common shares and units outstanding diluted	97.7	96.0	96.7	94.5	93.3	88.5	80.3

---

Note: Totals may not sum and per share amounts may not recalculate due to rounding.

- (1) Equity in FFO of unconsolidated joint ventures is determined as DCT's share of FFO from each unconsolidated joint venture.
- (2) Effective as of January 1, 2017, DCT no longer separately records hedge ineffectiveness in earnings per the adoption of the Derivatives and Hedging ASU 2017-12.

Table of Contents**Selected Unaudited Pro Forma Condensed Combined Financial Information (See page F-1)**

The following table shows summary unaudited pro forma condensed combined financial information about the combined financial condition and operating results after giving effect to the mergers. The unaudited pro forma condensed combined financial information assumes that the mergers are accounted for as an asset acquisition with Prologis treated as the acquirer. The unaudited pro forma condensed combined balance sheet data gives effect to the mergers as if they had occurred on March 31, 2018. The unaudited pro forma condensed combined statement of operations data gives effect to the mergers as if they had become effective at January 1, 2017, based on the most recent valuation data available. The summary unaudited pro forma condensed combined financial information listed below has been derived from and should be read in conjunction with (i) the more detailed unaudited pro forma condensed combined financial information, including the notes thereto, appearing elsewhere in this proxy statement/prospectus (ii) the consolidated financial statements and the related notes of both Prologis and DCT contained in their respective Annual Reports on Form 10-K for the year ended December 31, 2017 and (iii) the consolidated financial statements and the related notes of both Prologis and DCT contained in their respective Quarterly Reports on Form 10-Q for the three months ended March 31, 2018, all of which are incorporated by reference into this proxy statement/prospectus. See "Unaudited Pro Forma Condensed Combined Financial Statements" and "Where You Can Find More Information and Incorporation by Reference."

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the combined operating results or financial position that would have occurred if such transactions had been consummated on the dates and in accordance with the assumptions described herein, nor is it necessarily indicative of the future operating results or financial position of the Combined Company. The unaudited pro forma condensed combined financial information does not give effect to any potential revenue enhancements or cost synergies that could result from the mergers. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the definitive allocation of the final purchase price that will be recorded subsequent to completion of the mergers. The determination of the final purchase price will be based on the trading price of Prologis' common stock as of the closing date.

	<b>For the Three Months Ended March 31, 2018</b>	<b>For the Year Ended December 31, 2017</b>
	(in millions, except per share amounts)	
<b>Operating Data:</b>		
Total revenues	\$ 803	\$ 3,051
Operating income	\$ 250	\$ 824
Consolidated net earnings	\$ 428	\$ 1,821
Net earnings attributable to common stockholders	\$ 400	\$ 1,698
Net earnings per share attributable to common stockholders		
Basic	\$ 0.64	\$ 2.71
Diluted	\$ 0.63	\$ 2.68

Table of Contents

As of March 31, 2018

<b>Balance Sheet Data:</b>	
Net investments in real estate properties	\$ 29,727
Total assets	\$ 38,370
Total debt	\$ 11,274
Prologis, Inc. stockholders' equity	\$ 22,087

**Unaudited Comparative Per Share Information**

The following table sets forth for the year ended December 31, 2017 and the three months ended March 31, 2018, selected per share information for Prologis and DCT common stock on an historical basis and for the Combined Company on a pro forma basis after giving effect to the mergers accounted for as an asset acquisition. The information in the table is unaudited. You should read the tables below together with the historical consolidated financial statements and related notes of Prologis and DCT contained in their respective Annual Reports on Form 10-K for the year ended December 31, 2017, and each of Prologis' and DCT's respective Quarterly Reports on Form 10-Q for the quarter ended March 31, 2018, which are incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 182 for more information.

The pro forma Combined Company net earnings per share for the three months ended March 31, 2018 and the year ended December 31, 2017 includes the combined net earnings attributable to the common stockholders of Prologis and DCT on a pro forma basis as if the transaction was consummated on January 1, 2017 and, with respect to net book value per share of common stock, on March 31, 2018.

The Prologis pro forma combined per share data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the transactions had been consummated at the beginning of the earliest period presented, nor is it necessarily indicative of future operating results or financial position. The pro forma adjustments are estimates based upon information and assumptions available at the time of the filing of this proxy statement/prospectus.

The DCT pro forma equivalent information shows the effect of the mergers from the perspective of an owner of DCT common stock and the information was computed by multiplying the Prologis pro forma combined information by the Exchange Ratio of 1.02.

	Prologis		DCT	
	Historical	Pro Forma Combined	Historical	Pro Forma Equivalent
<b>For the year ended December 31, 2017</b>				
Net earnings per share attributable to common stockholders, basic	\$ 3.10	\$ 2.71	\$ 1.11	\$ 2.76
Net earnings per share attributable to common stockholders, diluted	\$ 3.06	\$ 2.68	\$ 1.11	\$ 2.73
Cash dividends declared per share of common stock	\$ 1.76	\$ 1.76	\$ 1.29	\$ 1.80
<b>For the three months ended March 31, 2018</b>				
Net earnings per share attributable to common stockholders, basic	\$ 0.69	\$ 0.64	\$ 0.52	\$ 0.65
Net earnings per share attributable to common stockholders, diluted	\$ 0.68	\$ 0.63	\$ 0.52	\$ 0.64
Cash dividends declared per share of common stock	\$ 0.48	\$ 0.48	\$ 0.36	\$ 0.49
<b>As of March 31, 2018</b>				
Net book value per share of common stock	\$ 29.28	\$ 34.99	\$ 21.13	\$ 35.69

30

Table of Contents**Comparative Prologis and DCT Market Price and Dividend Information*****Prologis' Market Price Data***

Prologis common stock is listed on the NYSE under the symbol "PLD." This table sets forth, for the periods indicated, the high and low sales prices per share of Prologis common stock, as reported by the NYSE, and distributions declared per share of Prologis common stock.

	Price Per Share of Common Stock		Distributions Declared Per Share(1)
	High	Low	
<b>2015</b>			
First Quarter	\$ 47.56	\$ 41.15	\$ 0.36
Second Quarter	\$ 44.48	\$ 37.03	\$ 0.36
Third Quarter	\$ 42.49	\$ 36.26	\$ 0.40
Fourth Quarter	\$ 43.69	\$ 38.66	\$ 0.40
<b>2016</b>			
First Quarter	\$ 44.26	\$ 35.25	\$ 0.42
Second Quarter	\$ 50.74	\$ 43.45	\$ 0.42
Third Quarter	\$ 54.87	\$ 48.46	\$ 0.42
Fourth Quarter	\$ 53.51	\$ 45.93	\$ 0.42
<b>2017</b>			
First Quarter	\$ 54.25	\$ 48.33	\$ 0.44
Second Quarter	\$ 59.49	\$ 51.66	\$ 0.44
Third Quarter	\$ 65.49	\$ 56.59	\$ 0.44
Fourth Quarter	\$ 67.53	\$ 62.99	\$ 0.44
<b>2018</b>			
First Quarter	\$ 65.19	\$ 58.28	\$ 0.48
Second Quarter	\$ 67.00	\$ 60.82	\$ 0.48

(1) Common stock cash distributions currently are declared quarterly by Prologis.



Table of Contents

***DCT's Market Price Data***

DCT common stock is listed on the NYSE under the symbol "DCT." This table sets forth, for the periods indicated, the high and low sales prices per share of DCT common stock, as reported by the NYSE, and distributions declared per share of DCT common stock.

	Price Per Share of Common Stock		Distributions Declared Per Share(1)
	High	Low	
<b>2015</b>			
First Quarter	\$ 38.82	\$ 33.49	\$ 0.28
Second Quarter	\$ 35.36	\$ 31.36	\$ 0.28
Third Quarter	\$ 35.42	\$ 31.08	\$ 0.28
Fourth Quarter	\$ 38.70	\$ 33.50	\$ 0.29
<b>2016</b>			
First Quarter	\$ 40.55	\$ 32.88	\$ 0.29
Second Quarter	\$ 48.05	\$ 39.07	\$ 0.29
Third Quarter	\$ 50.57	\$ 46.18	\$ 0.29
Fourth Quarter	\$ 48.45	\$ 42.96	\$ 0.31
<b>2017</b>			
First Quarter	\$ 48.83	\$ 43.95	\$ 0.31
Second Quarter	\$ 55.69	\$ 47.85	\$ 0.31
Third Quarter	\$ 60.02	\$ 52.06	\$ 0.31
Fourth Quarter	\$ 61.53	\$ 57.02	\$ 0.36
<b>2018</b>			
First Quarter	\$ 59.93	\$ 52.58	\$ 0.36
Second Quarter	\$ 67.26	\$ 54.71	\$ 0.36

(1) Common stock cash distributions currently are declared quarterly by DCT.

***Recent Closing Prices***

The table below sets forth the closing per share sales prices of Prologis common stock and DCT common stock as reported by the NYSE on April 27, 2018 the last full trading day before the public announcement of the execution of the merger agreement by Prologis and DCT, and on June 29, 2018. The DCT pro forma equivalent closing share price is equal to the closing price of a share of Prologis common stock on each such date multiplied by 1.02 (the Exchange Ratio of shares of Prologis common stock for each share of DCT common stock).

	Prologis Common Stock	DCT Common Stock	DCT Pro Forma Equivalent
April 27, 2018	\$ 66.58	\$ 58.75	\$ 67.91
June 29, 2018	\$ 65.69	\$ 66.73	\$ 67.00

The market price of Prologis common stock and DCT common stock will fluctuate between the date of this proxy statement/prospectus and the effective time of the company merger. Because the number of shares of Prologis common stock to be issued in the company merger for each share of DCT common stock is fixed in the merger agreement, the market value of Prologis common stock to be received by DCT stockholders at the effective time of the company merger may vary significantly from the prices shown in the table above. As a result, you should obtain recent market prices of shares of Prologis common stock and DCT common stock prior to voting your shares. See "Risk Factors Risk Factors Relating to the Mergers" beginning on page 33.

Following the transaction, Prologis common stock will continue to be listed on the NYSE and, until the completion of the company merger, DCT common stock will continue to be listed on the NYSE.

Table of Contents

**RISK FACTORS**

In addition to the other information included in this proxy statement/prospectus, including the matters addressed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements," you should carefully consider the following risks before deciding how to vote your shares of DCT common stock. In addition, you should read and consider the risks associated with each of the businesses of Prologis and DCT because these risks will also affect the Combined Company. These risks can be found in the respective Annual Reports on Form 10-K for the year ended December 31, 2017 and subsequent Quarterly Reports on Form 10-Q of Prologis and DCT, each of which is filed with the SEC and incorporated by reference into this proxy statement/prospectus. You should also read and consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 182.

**Risks Related to the Mergers**

*The Exchange Ratio is fixed and will not be adjusted in the event of any change in the stock prices of either Prologis or DCT.*

Upon the closing of the mergers, each outstanding share of DCT common stock (other than shares of DCT common stock owned by any of the DCT parties or any wholly owned subsidiary of DCT and each share of DCT common stock owned by any of the Prologis parties or any of their respective wholly owned subsidiaries) will be converted automatically into the right to receive 1.02 shares of Prologis common stock, with cash paid in lieu of any fractional shares, without interest. The Exchange Ratio of 1.02 was fixed in the merger agreement and, except for certain adjustments on account of changes in the capitalization of Prologis or DCT, will not be adjusted for changes in the market prices of either shares of Prologis common stock or shares of DCT common stock. Changes in the market price of shares of Prologis common stock prior to the mergers will affect the market value of the merger consideration that DCT stockholders will be entitled to receive on the closing date of the mergers. Stock price changes may result from a variety of factors (many of which are beyond the control of Prologis and DCT), including the following factors:

market reaction to the announcement of the mergers and the prospects of the Combined Company;

changes in the respective businesses, operations, assets, liabilities and prospects of Prologis and DCT;

changes in market assessments of the business, operations, financial position and prospects of Prologis, DCT or the Combined Company;

market assessments of the likelihood that the mergers will close;

interest rates, general market and economic conditions and other factors generally affecting the market prices of Prologis common stock and DCT common stock;

federal, state and local legislation, governmental regulation and legal developments in the businesses in which Prologis and DCT operate; and

other factors beyond the control of Prologis and DCT, including those described or referred to elsewhere in this "Risk Factors" section.

The market price of shares of Prologis common stock at the closing of the mergers may vary from its price on the date the merger agreement was executed, on the date of this proxy statement/prospectus and on the date of the DCT special meeting. As a result, the market value of the merger consideration represented by the Exchange Ratio will also vary. For example, based on the range of trading prices of shares of Prologis common stock during the period after April 27, 2018, the last trading day before DCT and Prologis announced the mergers, through June 29, 2018, the Exchange Ratio represented a market value ranging from a low of \$63.99 to a high of \$68.34.



Table of Contents

If the market price of shares of Prologis common stock increases between the date the merger agreement was signed, the date of this proxy statement/prospectus or the date of the DCT special meeting and the closing of the mergers, DCT stockholders could receive shares of Prologis common stock that have a market value upon completion of the mergers that is greater than the market value of such shares calculated pursuant to the Exchange Ratio on the date the merger agreement was signed, the date of the proxy statement/prospectus or on the date of the DCT special meeting, respectively. Additionally, if the market price of shares of Prologis common stock declines between the date the merger agreement was signed or the date of the DCT special meeting and the closing of the mergers, DCT stockholders could receive shares of Prologis common stock that have a market value upon the closing of the mergers that is less than the market value of such shares calculated pursuant to the Exchange Ratio on the date the merger agreement was signed, the date of this proxy statement/prospectus or on the date of the DCT special meeting, respectively.

Therefore, while the number of shares of Prologis common stock to be issued per share of DCT common stock is fixed, DCT stockholders cannot be sure of the market value of the merger consideration they will receive upon the closing of the mergers.

***DCT stockholders will be diluted by the mergers.***

The mergers will result in DCT stockholders having an ownership stake in the Combined Company that is smaller than their current stake in DCT. Upon completion of the mergers, based on the number of shares of Prologis common stock and DCT common stock outstanding on June 29, 2018, we estimate that continuing Prologis stockholders will own approximately 85% of the issued and outstanding common stock of the Combined Company, and former DCT stockholders will own approximately 15% of the issued and outstanding common stock of the Combined Company. Consequently, DCT stockholders, as a general matter, will have less influence over the management and policies of the Combined Company after the effective time of the company merger than they currently exercise over the management and policies of DCT.

***Completion of the mergers is subject to many conditions and if these conditions are not satisfied or waived, the mergers will not be completed, which could result in the requirement that DCT pays certain termination fees.***

The consummation of the mergers is subject to certain conditions, including (a) the approval of the company merger by the holders of a majority of the shares of DCT's outstanding common stock entitled to vote on such matter, (b) the shares of Prologis common stock to be issued in the company merger having been approved for listing on the NYSE, (c) the absence of any temporary restraining order, injunction or other legal order, and no change in law being enacted, which would have the effect of making illegal or otherwise prohibiting or preventing the consummation of the mergers, (d) the receipt of certain legal opinions by Prologis and DCT and (e) other customary conditions specified in the merger agreement.

There can be no assurance that the conditions to closing of the mergers will be satisfied or waived or that the mergers will be completed. Failure to consummate the mergers may adversely affect DCT's results of operations and business prospects for the following reasons, among others: (i) DCT will incur certain transaction costs, regardless of whether the proposed mergers close, which could adversely affect its financial condition, results of operations and ability to make distributions to its stockholders; and (ii) the proposed mergers, whether or not they close, will divert the attention of certain of DCT's management and other key employees from ongoing business activities, including the pursuit of other opportunities that could be beneficial to DCT. In addition, DCT or Prologis may terminate the merger agreement under certain circumstances, including, among other reasons, if the mergers are not completed by the Outside Closing Date.

Table of Contents

If the merger agreement is terminated under certain circumstances specified in the merger agreement, DCT may be required to pay Prologis a termination fee of \$216 million and/or reimburse Prologis' transaction expenses up to an amount equal to \$15 million. If the mergers are not consummated, the price of DCT's common stock might decline.

***Failure to complete the mergers could negatively impact the stock prices and the future business and financial results of DCT.***

If the mergers are not completed, the ongoing business of DCT could be adversely affected and DCT will be subject to a variety of risks associated with the failure to complete the mergers, including the following:

DCT being required, under certain circumstances, to pay to Prologis a termination fee of \$216 million depending on the circumstances and/or reimburse Prologis' reasonable expenses up to \$15 million;

DCT having to pay certain costs relating to the mergers, such as legal, accounting, financial advisor, filing, printing and mailing fees; and

diversion of DCT management focus and resources from operational matters and other strategic opportunities while working to implement the mergers.

If the mergers are not completed, these risks could materially affect the business, financial results and stock price of DCT.

***The pendency of the mergers could adversely affect the business and operations of DCT.***

Prior to the effective time of the mergers, some tenants, prospective tenants or vendors of DCT may delay or defer decisions, which could negatively affect the revenues, earnings, cash flows and expenses of DCT, regardless of whether the mergers are completed. Similarly, current and prospective employees of DCT may experience uncertainty about their future roles with the Combined Company following the mergers, which may materially adversely affect the ability of DCT to attract and retain key personnel during the pendency of the mergers. In addition, due to operating restrictions in the merger agreement, DCT may be unable, during the pendency of the mergers, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions, even if such actions would prove beneficial.

***The merger agreement contains provisions that could make it difficult for a third party to acquire DCT prior to the mergers.***

Pursuant to the merger agreement, DCT has agreed not to (a) solicit proposals relating to certain alternative transactions, (b) enter into discussions or negotiations or provide non-public information in connection with any proposal for an alternative transaction from a third party or (c) approve or enter into any agreements providing for any such alternative transaction, subject to certain exceptions to permit members of the DCT Board to comply with their duties as directors under applicable law. Notwithstanding these "no-shop" restrictions, prior to obtaining the DCT stockholder approval, under specified circumstances the DCT Board may change its recommendation of the transaction, and DCT may also terminate the merger agreement to accept a superior proposal upon payment of the termination fee described below.

The merger agreement provides that, in connection with the termination of the merger agreement under specified circumstances, DCT may be required to pay to Prologis a termination fee of \$216 million and/or reimburse Prologis' transaction expenses up to an amount equal to \$15 million. See "The Merger Agreement Covenants and Agreements No Solicitation of Transactions" beginning on page 115 and "The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by DCT to Prologis" beginning on page 126.

Table of Contents

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of DCT from considering or proposing such an acquisition, even if the potential competing acquirer was prepared to pay consideration with a higher per share value than the value proposed to be received or realized in the mergers, or might result in a potential competing acquirer proposing to pay a lower per share value than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances under the merger agreement.

***If the mergers are not consummated by the Outside Closing Date, either Prologis or DCT may terminate the merger agreement.***

Either Prologis or DCT may terminate the merger agreement if the mergers have not been consummated by the Outside Closing Date. However, this termination right will not be available to a party if that party failed to fulfill its obligations under the merger agreement and that failure was a principal cause of, or resulted in, the failure to consummate the mergers. See "The Merger Agreement Termination of the Merger Agreement" beginning on page 125.

***Some of the directors and executive officers of DCT have interests in the mergers that are different from, or in addition to, those of the other DCT stockholders.***

Some of the directors and executive officers of DCT have arrangements that provide them with interests in the mergers that are different from, or in addition to, those of the DCT stockholders, generally. These interests include, among other things, the continued service as a director or officer of the Combined Company or, in the alternative, a severance payment if terminated upon, or following, consummation of the mergers. These interests, among other things, may influence or may have influenced the directors and executive officers of DCT to support or approve the company merger. See "The Mergers Interests of DCT's Directors and Executive Officers in the Mergers" beginning on page 82.

**Risks Related to the Combined Company Following the Mergers**

***The Combined Company expects to incur substantial expenses related to the mergers.***

The Combined Company expects to incur substantial expenses in connection with completing the mergers and integrating the operations and systems of DCT with those of Prologis. While Prologis has assumed that a certain level of expenses would be incurred, there are a number of factors beyond its control that could affect the total amount or the timing of the Combined Company's expenses relating to the completion of the mergers and the Combined Company's operations. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the expenses associated with the mergers could, particularly in the near term, reduce the savings that the Combined Company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the operations of DCT following the completion of the mergers.

***Following the mergers, the Combined Company may be unable to integrate the operations of Prologis and DCT successfully and realize the anticipated synergies and other benefits of the mergers or do so within the anticipated timeframe.***

The mergers involve the combination of two companies that currently operate as independent public companies and their respective operating partnerships. The Combined Company is expected to benefit from the elimination of duplicative costs associated with supporting a public company platform and the leveraging of state of the art technology and systems. However, the Combined Company will be required to devote significant management attention and resources to integrating the operations of

Table of Contents

Prologis and DCT. Potential difficulties the Combined Company may encounter in the integration process include the following:

the inability to successfully combine the operations of Prologis and DCT in a manner that permits the Combined Company to achieve the cost savings anticipated to result from the mergers, which would result in the anticipated benefits of the mergers not being realized in the timeframe currently anticipated or at all;

potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the mergers; and

performance shortfalls as a result of the diversion of management's attention caused by completing the mergers and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the Combined Company's management, the disruption of the Combined Company's ongoing business or inconsistencies in the Combined Company's operations, services, standards, controls, procedures and policies, any of which could adversely affect the ability of the Combined Company to maintain relationships with tenants, vendors and employees or to achieve the anticipated benefits of the mergers, or could otherwise adversely affect the business and financial results of the Combined Company.

***The mergers will result in changes to the board of directors of the Combined Company.***

Upon completion of the mergers, the composition of the board of directors of the Combined Company will be different than the current Prologis Board and the DCT Board. The Prologis Board currently consists of 11 directors and upon the consummation of the mergers, all of the directors of Prologis immediately prior to the effective time of the company merger and Philip L. Hawkins are expected to comprise the board of directors of the Combined Company after the effective time of the company merger. In the merger agreement, Prologis also agreed to nominate Mr. Hawkins for reelection at the 2019 annual meeting of Prologis' stockholders to serve until the next subsequent annual meeting of the Prologis' stockholders and until his successor is duly elected and qualifies. Mr. Hawkins is currently DCT's President and Chief Executive Officer and a member of the DCT Board. This new composition of the board of directors of the Combined Company may affect the future decisions of the Combined Company.

***The Combined Company's anticipated level of indebtedness will increase upon completion of the mergers and will increase the related risks Prologis now faces.***

In connection with the mergers, the Combined Company will assume and/or refinance certain indebtedness of DCT and DCT OP and will be subject to increased risks associated with debt financing, including an increased risk that the Combined Company's cash flow could be insufficient to meet required payments on its debt. On March 31, 2018, Prologis had indebtedness of \$9.5 billion. After giving effect to the mergers, the Combined Company's total pro forma consolidated indebtedness will increase. Taking into account Prologis' existing indebtedness and the assumption of DCT's debt in the mergers, the Combined Company's pro forma consolidated indebtedness as of March 31, 2018, after giving effect to the mergers, would be approximately \$11.3 billion.

The Combined Company's increased indebtedness could have important consequences to holders of its common stock, including DCT stockholders who receive Prologis common stock in the company merger, including:

increasing the Combined Company's vulnerability to general adverse economic and industry conditions;

Table of Contents

limiting the Combined Company's ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;

requiring the use of a substantial portion of the Combined Company's cash flow from operations for the payment of principal and interest on its indebtedness, thereby reducing its ability to use its cash flow to fund working capital, acquisitions, capital expenditures and general corporate requirements;

limiting the Combined Company's flexibility in planning for, or reacting to, changes in its business and its industry; and

putting the Combined Company at a disadvantage compared to its competitors with less indebtedness.

If the Combined Company defaults under a mortgage loan, it will automatically be in default under any other loan that has cross-default provisions, and it may lose the properties securing these loans. Although the Combined Company anticipates that it will pay off its mortgage payables as soon as prepayment penalties and other costs make it economically feasible to do so, the Combined Company cannot anticipate when such payment will occur.

***The future results of the Combined Company will suffer if the Combined Company does not effectively manage its expanded operations following the mergers.***

Following the mergers, the Combined Company expects to continue to expand its operations through additional acquisitions and development of properties, some of which may involve complex challenges. The future success of the Combined Company will depend, in part, upon the ability of the Combined Company to manage its expansion opportunities, which may pose substantial challenges for the Combined Company to integrate new operations into its existing business in an efficient and timely manner, and upon its ability to successfully monitor its operations, costs, regulatory compliance and service quality, and to maintain other necessary internal controls. There is no assurance that the Combined Company's expansion or acquisition opportunities will be successful, or that the Combined Company will realize its expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

***In connection with the announcement of the merger agreement, a lawsuit has been filed and is pending as of July 6, 2018, seeking, among other things, to enjoin the mergers. An injunction or other adverse ruling being entered in this lawsuit may prevent the mergers from being effective or from becoming effective within the expected timeframe.***

On July 2, 2018, DCT, DCT OP, the DCT Board, Prologis, and Prologis OP were sued in a putative class action lawsuit, the *Rosenblatt* Action, filed in the United States District Court for the District of Colorado, in connection with DCT's proposed merger with Prologis and the related Form S-4. The complaint in the *Rosenblatt* Action alleges that DCT, DCT OP, the DCT Board, Prologis, and Prologis OP violated federal securities laws by omitting material information from the Form S-4, rendering the Form S-4 materially deficient. On July 10, 2018, DCT and the DCT Board were sued in another putative class action lawsuit, the *Bushansky* Action, also filed in the United States District Court for the District of Colorado, and also in connection with DCT's proposed merger with Prologis and the related Form S-4. The complaint in the *Bushansky* Action alleges that DCT and the DCT Board violated federal securities laws by omitting from the Form S-4, and/or misrepresenting in the Form S-4, material information, rendering the Form S-4 materially deficient. Plaintiffs in the *Rosenblatt* and *Bushansky* Actions seek, among other things, (i) to enjoin the transaction (or rescind it to the extent it is completed), and (ii) attorneys' fees and costs in connection with these lawsuits. If additional similar complaints are filed, absent new or different allegations that are material, neither DCT nor Prologis will necessarily announce such additional filings.



Table of Contents

While DCT and Prologis management believe that the allegations in these complaints are without merit and intend to defend vigorously against these allegations, we cannot assure you as to the outcome of these, or any similar future lawsuits, including the costs associated with defending these claims or any other liabilities that may be incurred in connection with the litigation or settlement of these claims. If any of the plaintiffs are successful in obtaining an injunction prohibiting the parties from completing the mergers on the agreed-upon terms, such an injunction may prevent the completion of the mergers in the expected time frame, or may prevent the mergers from being completed altogether. Whether or not any of the plaintiffs' claims are successful, this type of litigation is often expensive and diverts management's attention and resources, which could adversely affect the operation of the businesses of DCT and Prologis. For more information about litigation related to the mergers, see "The Mergers Litigation Relating to the Mergers" beginning on page 98.

***Counterparties to certain significant agreements with DCT may exercise contractual rights under such agreements in connection with the mergers.***

DCT is a party to certain agreements that give the counterparty certain rights following a "change in control," including in some cases the right to terminate the agreement. Under some such agreements, the mergers may constitute a change in control and therefore the counterparty may exercise certain rights under the agreement upon the closing of the mergers. Any such counterparty may request modifications of their respective agreements as a condition to granting a waiver or consent under their agreement. The pursuit of such rights by the counterparties may result in the Combined Company suffering a loss of potential future revenue or incurring liabilities and may result in the loss of rights that are material to the Combined Company's business. There can be no assurances that such counterparties will not exercise their rights under these agreements, including termination rights where available, or that the exercise of any such rights under, or modification of, these agreements will not adversely affect the business or operations of the Combined Company.

**Risks Related to an Investment in the Combined Company's Common Stock Following the Mergers**

***The market price and trading volume of the Combined Company common stock may be volatile.***

The United States stock markets, including the NYSE, on which the Combined Company common stock will continue to be listed under the symbol "PLD," have experienced significant price and volume fluctuations. As a result, the market price of shares of the Combined Company common stock is likely to be similarly volatile, and investors in shares of the Combined Company common stock may experience a decrease in the value of their shares, including decreases unrelated to the Combined Company's operating performance or prospects. Prologis and DCT cannot assure you that the market price of the Combined Company common stock will not fluctuate or decline significantly in the future.

In addition to the risks listed in this "Risk Factors" section, a number of factors could negatively affect the Combined Company's share price or result in fluctuations in the price or trading volume of the Combined Company common stock, including:

the annual yield from distributions on the Combined Company common stock as compared to yields on other financial instruments;

equity issuances by the Combined Company, or future sales of substantial amounts of the Combined Company common stock by its existing or future stockholders, or the perception that such issuances or future sales may occur;

increases in market interest rates or a decrease in the Combined Company's distributions to stockholders that lead purchasers of the Combined Company common stock to demand a higher yield;

changes in market valuations of similar companies;

Table of Contents

fluctuations in stock market prices and volumes;

additions or departures of key management personnel;

the Combined Company's operating performance and the performance of other similar companies;

actual or anticipated differences in the Combined Company's quarterly operating results;

changes in expectations of future financial performance or changes in estimates of securities analysts;

publication of research reports about the Combined Company or its industry by securities analysts;

failure to qualify as a REIT for federal income tax purposes;

adverse market reaction to any indebtedness the Combined Company incurs in the future;

strategic decisions by the Combined Company or its competitors, such as acquisitions, divestments, spin-offs, joint ventures, strategic investments or changes in business strategy;

the passage of legislation or other regulatory developments that adversely affect the Combined Company or its industry;

speculation in the press or investment community;

changes in the Combined Company's earnings;

failure to satisfy the listing requirements of the NYSE;

failure to comply with the requirements of the Sarbanes-Oxley Act;

actions by institutional stockholders of the Combined Company;

changes in accounting principles; and

general economic and/or market conditions, including factors unrelated to the Combined Company's performance.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert the Combined Company's management's attention and resources, which could have a material adverse effect on the Combined Company's cash flows, its ability to execute its business strategy and the Combined Company's ability to make distributions to its stockholders.

*The market price of shares of the common stock of the Combined Company may be affected by factors different from those affecting the prices of shares of Prologis common stock or DCT common stock before the mergers.*

The results of operations of the Combined Company, as well as the market price of the common stock of the Combined Company, after the mergers may be affected by other factors in addition to those currently affecting Prologis' or DCT's results of operations and the market prices of Prologis common stock and DCT common stock. These factors include:

a greater number of shares of the Combined Company common stock outstanding as compared to the number of currently outstanding shares of Prologis common stock;

different stockholders; and

different assets and capitalizations.

Table of Contents

Accordingly, the historical market prices and financial results of Prologis and DCT may not be indicative for the Combined Company after the mergers. For a discussion of the businesses of Prologis and DCT and certain risks to consider in connection with investing in those businesses, see the documents incorporated by reference by Prologis and DCT into this proxy statement/prospectus referred to under "Where You Can Find More Information and Incorporation by Reference."

***The market price of the Combined Company's common stock may decline as a result of the mergers.***

The market price of the Combined Company's common stock may decline as a result of the mergers if the Combined Company does not achieve the perceived benefits of the mergers as rapidly or to the extent anticipated by financial or industry analysts, or the effect of the mergers on the Combined Company's financial results is not consistent with the expectations of financial or industry analysts.

In addition, upon consummation of the mergers, Prologis stockholders and DCT stockholders will own interests in a Combined Company operating an expanded business with a different mix of properties, risks and liabilities. Current Prologis stockholders and DCT stockholders may not wish to continue to invest in the Combined Company, or for other reasons may wish to dispose of some or all of their shares of the Combined Company's common stock. If, following the effective time of the company merger, large amounts of the Combined Company's common stock are sold, the price of the Combined Company's common stock could decline.

***After the mergers are completed, DCT stockholders who receive shares of Prologis common stock in the company merger will have different rights that may be less favorable than their current rights as DCT stockholders.***

After the closing of the mergers, DCT stockholders who receive shares of Prologis common stock in the mergers will have different rights than they currently have as DCT stockholders. For a detailed discussion of the similarities and material differences between the current rights you have as a stockholder of DCT and the rights you will have as a stockholder of the Combined Company following the mergers, see "Comparison of Rights of the Prologis Stockholders and the DCT Stockholders" beginning on page 163.

***The Combined Company cannot assure you that it will be able to continue paying dividends at or above the rates currently paid by Prologis and DCT.***

The stockholders of the Combined Company may not receive dividends at the same rate they received dividends as Prologis stockholders and as DCT stockholders following the mergers for various reasons, including the following:

the Combined Company may not have enough cash to pay such dividends due to changes in the Combined Company's cash requirements, capital spending plans, cash flow or financial position;

decisions on whether, when and in which amounts to make any future distributions will remain at all times entirely at the discretion of the Combined Company's board of directors, which reserves the right to change Prologis' current dividend practices at any time and for any reason;

the Combined Company may desire to retain cash to maintain or improve its credit ratings; and

the amount of dividends that the Combined Company's subsidiaries may distribute to the Combined Company may be subject to restrictions imposed by state law and restrictions imposed by the terms of any current or future indebtedness that these subsidiaries may incur.

Stockholders of the Combined Company will have no contractual or other legal right to dividends that have not been declared by the Combined Company's board of directors.

Table of Contents

***The Combined Company may need to incur additional indebtedness in the future.***

In connection with executing the Combined Company's business strategies following the mergers, the Combined Company expects to evaluate the possibility of additional acquisitions and strategic investments, and the Combined Company may elect to finance these endeavors by incurring additional indebtedness. The amount of such indebtedness could have material adverse consequences for the Combined Company, including hindering the Combined Company's ability to adjust to changing market, industry or economic conditions; limiting the Combined Company's ability to access the capital markets to refinance maturing debt or to fund acquisitions or emerging businesses; limiting the amount of free cash flow available for future operations, acquisitions, dividends, stock repurchases or other uses; making the Combined Company more vulnerable to economic or industry downturns, including interest rate increases; and placing the Combined Company at a competitive disadvantage compared to less leveraged competitors.

***The historical and unaudited pro forma combined financial information included elsewhere in this proxy statement/prospectus may not be representative of the Combined Company's results following the effective time of the company merger, and accordingly, you have limited financial information on which to evaluate the Combined Company.***

The unaudited pro forma combined financial information included elsewhere in this proxy statement/prospectus has been presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that actually would have occurred had the mergers been completed as of the date indicated, nor is it indicative of the future operating results or financial position of the Combined Company. The unaudited pro forma combined financial information does not reflect future events that may occur after the effective time of the company merger, including the costs related to the planned integration of the two companies and any future nonrecurring charges resulting from the mergers, and does not consider potential impacts of current market conditions on revenues or expense efficiencies. The unaudited pro forma combined financial information presented elsewhere in this proxy statement/prospectus is based in part on certain assumptions regarding the mergers that Prologis and DCT believe are reasonable under the circumstances. Prologis and DCT cannot assure you that the assumptions will prove to be accurate over time.

***The Combined Company may incur adverse tax consequences if Prologis or DCT has failed or fails to qualify as a REIT for United States federal income tax purposes.***

Each of Prologis and DCT has operated in a manner that it believes has allowed it to qualify as a REIT for United States federal income tax purposes under the Code and each intends to continue to do so through the time of the company merger. The Combined Company intends to continue operating in such a manner following the company merger. The closing of the company merger is conditioned on the receipt by DCT of an opinion of Prologis' counsel to the effect that Prologis has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and Prologis' actual and proposed method of operation has enabled it and will continue to enable it to satisfy the requirements for qualification and taxation as a REIT. The foregoing REIT opinion, however, is limited to the factual representations provided by Prologis to its counsel and the assumptions set forth therein, and is not a guarantee that Prologis, in fact, has qualified or will continue to qualify as a REIT. Moreover, Prologis has not requested nor plans to request a ruling from the IRS that it qualifies as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury Regulations is greater in the case of a REIT, like Prologis, that holds assets through a partnership and that has substantial foreign operations. The determination of various factual matters and circumstances not entirely within Prologis' control may affect its ability to qualify as a REIT.

Table of Contents

If Prologis or DCT (or, following the company merger, the Combined Company) loses its REIT status, or is determined to have lost its REIT status in a prior year, it will face serious tax consequences that would substantially reduce its cash available for distribution, including cash available to pay dividends to its stockholders, because:

it would be subject to United States federal income tax on its net income at regular corporate rates for the years it did not qualify for taxation as a REIT (and, for such years, would not be allowed a deduction for dividends paid to stockholders in computing its taxable income);

it could be subject to the federal alternative minimum tax and possibly increased state and local taxes for such periods;

unless it is entitled to relief under applicable statutory provisions, neither it nor any "successor" company could elect to be taxed as a REIT until the fifth taxable year following the year during which it was disqualified; and

for five years following re-election of REIT status, upon a taxable disposition of an asset owned as of such re-election, it could be subject to corporate level tax with respect to any built-in gain inherent in such asset at the time of re-election.

As a result of all these factors, Prologis' or DCT's (or following the company merger, the Combined Company's) failure to qualify as a REIT could impair the Combined Company's ability to expand its business and raise capital, and would materially adversely affect the value of its capital stock.

***In certain circumstances, even if the Combined Company qualifies as a REIT, it and its subsidiaries may be subject to certain United States federal, state, and other taxes, which would reduce the Combined Company's cash available for distribution to its stockholders.***

Even if the Combined Company has qualified and continues to qualify as a REIT, it may be subject to some federal, state and local taxes on its income or property and, in certain cases, a 100% penalty tax, in the event it sells property as a dealer. In addition, the Combined Company's domestic corporate subsidiaries that are taxable REIT subsidiaries could be subject to federal and state taxes, and its foreign properties and companies are subject to tax in the jurisdictions in which they operate and are located. Any federal, state or other taxes the Combined Company pays will reduce its cash available for distribution to stockholders. See "Material United States Federal Income Tax Considerations Applicable to Holders of the Combined Company Stock" beginning on page 130.

***If Prologis OP is classified as a "publicly traded partnership" under the Code, the Combined Company's status as a REIT and its ability to pay distributions to the Combined Company's stockholders could be adversely affected.***

Prologis OP is organized as a partnership for United States federal income tax purposes. Even though Prologis OP will not elect to be treated as an association taxable as a corporation, it may be taxed as a corporation if it is deemed to be a "publicly traded partnership." A publicly traded partnership is a partnership whose interests are traded on an established securities market or are considered readily tradable on a secondary market or the substantial equivalent thereof. Prologis believes and currently takes the position that Prologis OP should not be classified as a publicly traded partnership because interests in Prologis OP are not traded on an established securities market, and Prologis OP should satisfy certain safe harbors which prevent a partnership's interests from being treated as readily tradable on an established securities market or substantial equivalent thereof. No assurance can be given, however, that the IRS would not assert that Prologis OP constitutes a publicly traded partnership or that facts and circumstances will not develop which could result in Prologis OP being treated as a publicly traded partnership. If the IRS were to assert successfully that Prologis OP is a publicly traded partnership, and substantially all of Prologis OP's gross income did not consist of

Table of Contents

specified types of passive income, Prologis OP would be treated as an association taxable as a corporation and would be subject to corporate tax at the entity level. In such event, the character of the Combined Company's assets and items of gross income would change and would result in a termination of the Combined Company's status as a REIT. In addition, the imposition of a corporate tax on Prologis OP would reduce the amount of cash available for distribution to the Combined Company's stockholders.

***If the company merger does not qualify as a tax-free reorganization, there may be adverse tax consequences.***

The company merger is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. The closing of the mergers is conditioned on the receipt by each of Prologis and DCT of an opinion of its respective counsel to the effect that the company merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. The foregoing opinions, however, are limited to the factual representations provided by Prologis and DCT to counsel and the assumptions set forth therein, and are not a guarantee that the company merger, in fact, will qualify as a tax-free reorganization. Moreover, neither DCT nor Prologis has requested or plans to request a ruling from the IRS that the company merger qualifies as a tax-free reorganization. If the company merger were to fail to qualify as a tax-free reorganization, then each DCT stockholder generally would recognize gain or loss, as applicable, equal to the difference between (i) the sum of the fair market value of the shares of Prologis common stock and cash in lieu of any fractional share of Prologis common stock received by the DCT stockholder in the company merger; and (ii) the DCT stockholder's adjusted tax basis in its DCT common stock.

***The Combined Company depends on key personnel for its future success, and the loss of key personnel or inability to attract and retain personnel could harm the Combined Company's business.***

The future success of the Combined Company depends in large part on its ability to hire and retain a sufficient number of qualified personnel. The future success of the Combined Company also depends upon the service of the Combined Company's executive officers, who have extensive market knowledge and relationships and will exercise substantial influence over the Combined Company's operational, financing, acquisition and disposition activity. Among the reasons that they are important to the Combined Company's success is that each has a national or regional industry reputation that is expected to attract business and investment opportunities and assist the Combined Company in negotiations with lenders, existing and potential tenants and industry personnel.

Many of the Combined Company's other key executive personnel, particularly its senior managers, also have extensive experience and strong reputations in the industry. In particular, the extent and nature of the relationships that these individuals have developed with financial institutions and existing and prospective customers is critically important to the success of the Combined Company's business. The loss of services of one or more members of the Combined Company's senior management team, or the Combined Company's inability to attract and retain highly qualified personnel, could adversely affect the Combined Company's business, diminish the Combined Company's investment opportunities and weaken its relationships with lenders, business partners, existing and prospective customers and industry personnel, which could materially and adversely affect the Combined Company.

***Prologis and DCT face other risks.***

The foregoing risks are not exhaustive, and you should be aware that, following the mergers, the Combined Company will face various other risks, including those discussed in reports filed by Prologis and DCT with the SEC. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 182.

Table of Contents

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

The statements in this document that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which Prologis and DCT operate as well as beliefs and assumptions of management of Prologis and management of DCT. Such statements involve uncertainties that could significantly impact financial results of Prologis or DCT. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," and "estimates" including variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that Prologis or DCT expect or anticipate will occur in the future including statements relating to rent and occupancy growth, development activity, contribution and disposition activity, general conditions in the geographic areas where Prologis and DCT operate, debt, capital structure and financial position, Prologis' ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although Prologis and DCT believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, Prologis and DCT can give no assurance that these expectations will be attained, and therefore actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to:

- (i) national, international, regional and local economic and political climates;
- (ii) changes in global financial markets, interest rates and foreign currency exchange rates;
- (iii) increased or unanticipated competition for each of Prologis' and DCT's properties;
- (iv) risks associated with acquisitions, dispositions and development of properties;
- (v) maintenance of REIT status, tax structuring and changes in income tax laws and rates;
- (vi) availability of financing and capital, the levels of debt that each of Prologis and DCT maintain and their respective credit ratings;
- (vii) risks related to each of Prologis' and DCT's investments in their respective co-investment ventures, including their respective abilities to establish new co-investment ventures;
- (viii) risks of doing business internationally, including currency risks;
- (ix) environmental uncertainties, including risks of natural disasters;
- (x) risks associated with achieving expected revenue synergies or cost savings;
- (xi) risks associated with the ability to consummate the mergers and the timing of the closing of the mergers; and
- (xii) those additional risks and factors discussed in the reports filed with the SEC by Prologis and DCT from time to time, including those discussed under the heading "Risk Factors" in their respective most recently filed reports on Form 10-K and Form 10-Q. Neither Prologis nor DCT undertakes any duty to update any forward-looking statements appearing in this document except as may be required by law.





Table of Contents

**THE COMPANIES**

**Prologis, Inc. and Prologis, L.P.**

**Pier 1, Bay 1  
San Francisco, California 94111  
(415) 394-9000**

Prologis is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. Prologis owns, manages and develops high-quality properties in the world's most active centers of commerce.

Prologis invests in Class-A logistics facilities in the world's primary population centers and in those supported by extensive transportation infrastructure (major airports, seaports, rail systems and highway systems). Prologis believes its portfolio is the highest-quality logistics property portfolio in the industry because it is concentrated in those key markets. Prologis' local teams actively manage the portfolio, which encompasses leasing and property management, new capital deployment activities and an opportunistic disposition program. The majority of Prologis' consolidated properties are in the United States. Outside the United States, Prologis' properties are generally held in co-investment ventures, which reduces its exposure to movements in foreign currency. Therefore, Prologis is principally an owner-operator in the United States and a manager-developer outside the United States.

Prologis commenced operations as a fully integrated real estate company in 1997, elected to be taxed as a REIT under the Code, and believes the current organization and method of operation will enable Prologis to maintain its status as a REIT.

Prologis OP was also formed in 1997. Prologis operates its business primarily through Prologis OP. As of March 31, 2018, Prologis owned an approximate 97.11% general partnership interest in Prologis OP, and 100% of the preferred units in Prologis OP. As the sole general partner of Prologis OP, Prologis has the exclusive and complete responsibility for and discretion in its day-to-day management and control.

Prologis common stock is listed on the NYSE, trading under the symbol "PLD." Prologis' global headquarters are located at Pier 1, Bay 1, San Francisco, California 94111; its telephone number is (415) 394-9000. Prologis' other principal office locations are in Amsterdam, Denver, Luxembourg, Mexico City, Shanghai, Singapore and Tokyo. Prologis' website address is <http://www.prologis.com>. Information contained on Prologis' website is not and should not be deemed a part of this prospectus, the accompanying prospectus supplement or any other report or filing filed with the Securities and Exchange Commission.

Additional information about Prologis, Prologis OP and their subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 182.

**DCT Industrial Trust Inc. and DCT Industrial Operating Partnership LP**

**555 17th Street, Suite 3700  
Denver, CO 80202  
(303) 597-1550**

DCT, together with its subsidiaries, is a leading industrial real estate company specializing in the ownership, acquisition, development, leasing and management of bulk distribution and light industrial properties located in high-demand distribution markets in the United States. DCT's actively managed portfolio is strategically located near population centers and well-positioned to take advantage of market dynamics. As of March 31, 2018, DCT owned interests in 425 properties, comprised of approximately 73.7 million square feet of properties leased to approximately 840 customers.

Table of Contents

DCT is structured as an umbrella partnership REIT under which substantially all of DCT's current and future business is, and will be, conducted through DCT OP. As of March 31, 2018, DCT owned approximately 96.7% of the outstanding equity interests in DCT OP. As the sole general partner of DCT OP, DCT has the full, exclusive and complete responsibility for and discretion in its day-to-day management and control.

DCT was formed as a Maryland corporation in 2002 and has elected to be treated as a REIT under the Code, and DCT OP was formed as a Delaware limited partnership in 2002. DCT common stock is listed on the NYSE, trading under the symbol "DCT." The primary office of DCT is located in Denver, Colorado at the address above. DCT's website is located at [www.dctindustrial.com](http://www.dctindustrial.com). The information found on, or otherwise accessible through, DCT's website is not incorporated into, and does not form a part of, this proxy statement/prospectus or any other report or document DCT files with or furnishes to the SEC.

Additional information about DCT, DCT OP and their subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 182.

**The Combined Company**

References to the Combined Company are to Prologis after the effective time of the company merger. The Combined Company will be named "Prologis, Inc." and will be a Maryland corporation. At the effective time of the company merger, all of the directors of Prologis immediately prior to the effective time of the company merger and Philip L. Hawkins will comprise the board of directors of the Combined Company. The Combined Company is expected to have a pro forma enterprise value of approximately \$52.6 billion and a total market capitalization of approximately \$41.4 billion (each based on the closing price of Prologis' common stock on June 29, 2018 of \$65.69 per share). The Combined Company's asset base will primarily consist of approximately 3,700 properties and development projects, on a wholly-owned basis or through co-investment ventures. The Combined Company will have a footprint in high-demand metropolitan areas throughout the world.

The business of the Combined Company will be operated through Prologis OP and its subsidiaries. The Prologis parties will have the full, exclusive and complete responsibility for and discretion in the day-to-day management and control of Prologis OP.

The common stock of the Combined Company will continue to be listed on the NYSE, trading under the symbol "PLD."

The Combined Company's principal executive offices will continue to be located at Pier 1, Bay 1, San Francisco, California 94111, and its telephone number will be (415) 394-9000.

Table of Contents

**THE DCT SPECIAL MEETING**

This proxy statement/prospectus is being furnished in connection with the solicitation of proxies from DCT stockholders for use at the DCT special meeting. This proxy statement/prospectus and accompanying form of proxy are first being mailed to DCT stockholders on or about July 13, 2018.

**Date, Time, Place and Purpose of the DCT Special Meeting**

The special meeting of the DCT stockholders will be held at 555 17th Street, Suite 3700, Denver, Colorado 80202, on August 20, 2018, commencing at 10:00 a.m., local time, for the following purposes:

1. to consider and vote on a proposal to approve the company merger on the terms and conditions set forth in the merger agreement;
2. to consider and vote on a non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement; and
3. to consider and vote on a proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

**Recommendation of the DCT Board of Directors**

The DCT Board has unanimously (i) determined and declared that the mergers are advisable and in the best interests of DCT and its stockholders, (ii) approved each of the mergers and the other transactions contemplated by the merger agreement, and (iii) approved the merger agreement.

The DCT Board unanimously recommends that the DCT stockholders vote **FOR** the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, **FOR** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and **FOR** the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement. For the reasons for this recommendation, see "The Mergers Recommendation of the DCT Board of Directors and Its Reasons for the Mergers" beginning on page 63.

**DCT Record Date; Who Can Vote at the DCT Special Meeting**

Only holders of record of DCT common stock at the close of business on July 9, 2018, DCT's record date, are entitled to notice of, and to vote at, the DCT special meeting and any adjournment of the special meeting. As of the record date, there were 94,194,708 shares of DCT common stock outstanding and entitled to vote at the DCT special meeting, held by approximately 1,590 stockholders of record.

Each share of DCT common stock owned on DCT's record date is entitled to one vote on each proposal at the DCT special meeting.

**Directors and Officers of DCT**

At the close of business on the record date, directors and executive officers of DCT were entitled to vote 163,380 shares of DCT common stock, or approximately 0.17% of the shares of DCT common stock issued and outstanding on that date. DCT currently expects that all DCT directors and executive



Table of Contents

officers will vote their shares of DCT common stock in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement as well as the other proposals to be considered at the DCT special meeting, although none of them is contractually obligated to do so.

**Required Vote; Quorum**

Approval of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement requires the affirmative vote of holders of a majority of the shares of outstanding DCT common stock entitled to vote on such proposal.

Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement requires the affirmative vote of holders of DCT common stock constituting a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement requires the affirmative vote of holders of DCT common stock constituting a majority of all votes cast on such proposal.

Regardless of the number of shares of DCT common stock you own, your vote is important. Please complete, sign, date and promptly return the enclosed proxy card today or authorize a proxy to vote your shares by phone or Internet.

DCT's bylaws provide that the presence, in person or by proxy, of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting will constitute a quorum. Shares that are voted and shares abstaining from voting are treated as being present at the DCT special meeting for purposes of determining whether a quorum is present.

**Abstentions and Broker Non-Votes**

Abstentions and broker non-votes will have the same effect as votes **AGAINST** the proposal to approve the company merger and the other transactions contemplated by the merger agreement. Abstentions and broker non-votes will have no effect on (i) the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, or (ii) the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

**Manner of Submitting Proxy**

DCT stockholders may vote for or against the proposals submitted at the DCT special meeting in person or by proxy. DCT stockholders can authorize a proxy in the following ways:

Internet: DCT stockholders may submit a proxy over the Internet by going to [www.proxyvote.com](http://www.proxyvote.com). Once at the website, they should follow the instructions to submit a proxy.

Telephone: DCT stockholders may submit a proxy using the toll-free number at 1-800-690-6903 and follow the recorded instructions. DCT stockholders will be asked to provide the control number from the enclosed proxy card.

Mail: DCT stockholders may submit a proxy by completing, signing, dating and returning their proxy card or voting instruction card in the preaddressed postage-paid envelope provided.

Table of Contents

DCT stockholders should refer to their proxy cards or the information forwarded by their broker or other nominee to see which options are available to them.

The Internet and telephone proxy submission procedures are designed to authenticate stockholders and to allow them to confirm that their instructions have been properly recorded. If you submit a proxy over the Internet or by telephone, then you need not return a written proxy card or voting instruction card by mail. The Internet and telephone facilities available to record holders will close at 11:59 p.m. Eastern Time on August 19, 2018.

The method by which DCT stockholders submit a proxy will in no way limit their right to vote at the DCT special meeting if they later decide to attend the meeting and vote in person. If shares of DCT common stock are held in the name of a broker or other nominee, DCT stockholders must obtain a proxy, executed in their favor, from the broker or other nominee, to be able to vote in person at the DCT special meeting.

All shares of DCT common stock entitled to vote and represented by properly completed proxies received prior to the DCT special meeting, and not revoked, will be voted at the DCT special meeting as instructed on the proxies. **If DCT stockholders of record return properly executed proxies but do not indicate how their shares of DCT common stock should be voted on a proposal, the shares of DCT common stock represented by their properly executed proxy will be voted as the DCT Board recommends and therefore, FOR the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, FOR the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement, and FOR the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.** If you do not provide voting instructions to your broker or other nominee, your shares of DCT common stock will be considered broker non-votes.

**Shares Held in "Street Name"**

If DCT stockholders hold shares of DCT common stock in an account of a broker or other nominee and they wish to vote such shares, they must return their voting instructions to the broker or other nominee.

If DCT stockholders hold shares of DCT common stock in an account of a broker or other nominee and attend the DCT special meeting, they should bring a letter from their broker or other nominee identifying them as the beneficial owner of such shares of DCT common stock and, if they desire to vote in person at the DCT special meeting, authorizing them to vote.

**Revocation of Proxies or Voting Instructions**

DCT stockholders of record may change their vote or revoke their proxy at any time before it is exercised at the DCT special meeting by:

submitting notice in writing to DCT's Secretary at DCT Industrial Trust Inc., 555 17th Street, Suite 3700, Denver, CO 80202, Attn: Secretary;

executing and delivering a later-dated proxy card or submitting a later-dated proxy by telephone or on the Internet; or

voting in person at the DCT special meeting.

Attending the DCT special meeting without voting will not revoke your proxy.

Table of Contents

DCT stockholders who hold shares of DCT common stock in an account of a broker or other nominee may revoke their voting instructions by following the instructions provided by their broker or other nominee.

**Solicitation of Proxies; Payment of Solicitation Expenses**

The solicitation of proxies from DCT stockholders is made on behalf of the DCT Board. DCT will pay the cost of soliciting proxies from DCT stockholders. DCT has engaged D.F. King to assist in the solicitation of proxies for the special meeting and DCT estimates it will pay D.F. King a fee of approximately \$10,000. DCT has also agreed to reimburse D.F. King for reasonable expenses incurred in connection with the proxy solicitation and to indemnify D.F. King against certain losses, claims, damages, liabilities and expenses. In addition to mailing proxy solicitation materials, DCT's directors and officers, and employees of DCT may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to DCT's directors or officers, or to employees of DCT for such services.

In accordance with the regulations of the SEC and NYSE, DCT also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of shares of DCT common stock.



Table of Contents

**PROPOSALS SUBMITTED TO DCT STOCKHOLDERS**

**Company Merger Proposal**

*(Proposal 1 on the Proxy Card)*

DCT stockholders are asked to approve the company merger on the terms and conditions set forth in the merger agreement. For a summary and detailed information regarding this proposal, see the information about the mergers and the merger agreement throughout this proxy statement/prospectus, including the information set forth in sections entitled "The Mergers" beginning on page 54 and "The Merger Agreement" beginning on page 99. A copy of the merger agreement is attached as Annex A to this proxy statement/prospectus.

Pursuant to the merger agreement, approval of this proposal is a condition to the consummation of the mergers. If this proposal is not approved, the mergers will not be completed.

DCT is requesting that DCT stockholders approve the proposal to approve the company merger on the terms and conditions set forth in the merger agreement. Approval of this proposal requires the affirmative vote of a majority of the votes entitled to be cast on such proposal.

**Recommendation of the DCT Board of Directors**

The DCT Board unanimously recommends that DCT stockholders vote FOR the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

**DCT Compensation Proposal**

*(Proposal 2 on the Proxy Card)*

This section sets forth information relating to the non-binding advisory vote on merger-related compensation that may be paid or become payable to certain DCT executive officers. Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 14A of the Exchange Act, DCT is providing its stockholders with the opportunity to cast a non-binding advisory vote on the compensation that may be paid or become payable to DCT's named executive officers ("NEOs"), as determined in accordance with Item 402(t) of Regulation S-K, that is based upon or otherwise relates to the mergers and the transactions contemplated under the merger agreement and arises from any form of arrangement or understanding, whether written or unwritten, between DCT or the Combined Company and the NEOs. DCT therefore is asking its stockholders to vote on the adoption of the following resolution:

"RESOLVED, that the compensation that may be paid or become payable to DCT Industrial Trust Inc.'s named executive officers in connection with the mergers and the agreements or understandings pursuant to which such compensation may be paid or become payable, in each case as disclosed pursuant to Item 402(t) of Regulation S-K in *"The Mergers Interest of DCT's Directors and Executive Officers in the Mergers Information for Advisory Vote"* are hereby APPROVED."

*Vote Required*

The vote regarding the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement is a vote separate and apart from the vote on the proposal to approve the company merger and the other transactions contemplated by the merger agreement. Because the vote regarding merger-related compensation is advisory only, it will not be binding on either DCT or Prologis regardless of whether the mergers are completed. Accordingly, if the mergers are completed, the merger-related compensation will become payable in connection with

Table of Contents

the mergers and a qualifying termination of employment, subject only to the conditions applicable thereto, regardless of the outcome of this non-binding advisory vote.

Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement requires the affirmative vote of a majority of all votes cast on such proposal.

**Recommendation of the DCT Board of Directors**

The DCT Board unanimously recommends that DCT stockholders vote FOR the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain named executive officers of DCT in connection with the mergers and the transactions contemplated under the merger agreement.

**DCT Adjournment Proposal**

*(Proposal 3 on the Proxy Card)*

The DCT stockholders are being asked to approve a proposal that will give the DCT Board the authority to adjourn the DCT special meeting one or more times to another date, time or place, if necessary, to permit, among other things, further solicitation of proxies, if necessary or appropriate, to obtain additional votes in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement if there are not sufficient votes at the time of the DCT special meeting to approve such proposal.

If, at the DCT special meeting, the number of shares of DCT common stock present or represented by proxy and voting for the approval of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement is insufficient to approve such proposal, DCT intends to adjourn the DCT special meeting to another place, date or time in order to enable the DCT Board to solicit additional proxies for approval of the proposal.

DCT is asking DCT stockholders to approve one or more adjournments of the special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement. Approval of this proposal requires the affirmative vote of a majority of all votes cast on such proposal. Regardless of the outcome of the foregoing proposal, in accordance with DCT's bylaws and Maryland law, the chairman of the DCT special meeting will retain full authority to conclude, recess or adjourn the DCT special meeting to a later date and time and at a place announced at the DCT special meeting for any purpose, including, without limitation, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement, or to postpone the DCT special meeting before it is convened, without a vote of the DCT stockholders.

**Recommendation of the DCT Board of Directors**

The DCT Board unanimously recommends that DCT stockholders vote FOR the proposal to approve one or more adjournments of the DCT special meeting to another date, time or place, if necessary, to solicit additional proxies in favor of the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

**Other Business**

No business may be brought before the DCT special meeting except as set forth in this notice.

Table of Contents

**THE MERGERS**

The following is a description of the material aspects of the mergers. While Prologis and DCT believe that the following description covers the material terms of the mergers, the description may not contain all of the information that is important to Prologis stockholders and DCT stockholders. Prologis and DCT encourage Prologis stockholders and DCT stockholders to carefully read this entire proxy statement/prospectus, including the merger agreement and the other documents attached to this proxy statement/prospectus and incorporated herein by reference, for a more complete understanding of the mergers.

**General**

The DCT Board has unanimously (i) determined and declared that the mergers are advisable and in the best interests of DCT and its stockholders, (ii) approved each of the mergers and the other transactions contemplated by the merger agreement, and (iii) approved the merger agreement. Based on, among other factors, the reasons described below in the section "Recommendation of the DCT Board of Directors and Its Reasons for the Mergers," the DCT Board believes that the merger consideration to be received by holders of DCT common stock is fair, from a financial point of view, to such holders. In the mergers, DCT will merge with and into Prologis, with Prologis continuing as the surviving entity, and DCT OP will merge with and into Prologis OP, with Prologis OP continuing as the surviving partnership. DCT stockholders will receive the merger consideration described below under "The Merger Agreement Merger Consideration; Effects of the Company Merger and the Partnership Merger."

**Background of the Mergers**

Over the years, in the ordinary course of business, and from time to time, the DCT Board and the management team of DCT have evaluated and considered a variety of financial and strategic opportunities for the company as part of its long-term strategy to enhance value for DCT stockholders, including potential acquisitions, divestitures, business combinations and other transactions.

In early 2013, Prologis contacted DCT to explore a potential transaction between the companies. During these exploratory discussions, while general price ranges and structure were discussed, the parties were unable to develop a potential framework of general terms including the potential exchange ratio and other key terms. Mr. Hawkins informally updated the DCT Board of these discussions and the consensus was not to pursue a transaction at this time. As a result, the discussions ended in approximately April 2013 without a non-disclosure agreement or any other transaction related agreement being entered into or any due diligence being conducted.

In early 2017, a real estate advisor representing a private investment firm, referred to herein as Party A, contacted Mr. Philip L. Hawkins, the Chief Executive Officer of DCT, to explore whether DCT was interested in discussing a potential strategic transaction. Mr. Hawkins and a senior executive of Party A discussed, on a preliminary basis, the industrial real estate business generally, as well as DCT, its portfolio and organization specifically, and Party A's desire to grow its industrial business through a potential transaction with DCT. Mr. Hawkins expressed that while DCT was not actively marketing the company, the DCT Board was focused on enhancing shareholder value and he believed that if a credible offer were put forth the DCT Board would consider it. Subsequent to that initial meeting, Party A reviewed publicly available information concerning DCT and visited a number of DCT's properties on its own. In March 2017, a financial advisor for Party A contacted Mr. Hawkins and orally provided an initial indication of interest of \$50 to \$51 in cash per share of DCT common stock. Mr. Hawkins indicated that he did not believe a cash sales price at that level would be compelling for the DCT Board given, among other matters, the relatively small premium over DCT's then current price of \$47 per share or the fact that the price reflected no premium over DCT's

Table of Contents

52-week high. Mr. Hawkins notified the members of the DCT Board of these discussions, after which the DCT Board decided not to pursue such transaction. Discussions between DCT and Party A then ceased.

On October 26, 2017, Mr. Hawkins and Mr. Eugene F. Reilly, the Chief Executive Officer, The Americas of Prologis, met for a social lunch, at the end of which Mr. Reilly indicated Prologis had a renewed interest in a potential business combination transaction with DCT and asked whether DCT would be interested in engaging in discussions regarding such a transaction. Mr. Hawkins expressed that while DCT was not actively marketing the company, the DCT Board was focused on enhancing shareholder value and he believed that if a credible offer were put forth the DCT Board would consider it. No further, near-term discussions occurred between DCT and Prologis.

On December 13, 2017, Mr. Reilly contacted Mr. Hawkins and requested a meeting between the Prologis and DCT management teams be held early in 2018 to discuss Prologis' views on the rationale for, and terms of, a potential business combination transaction between Prologis and DCT.

On January 8, 2018, Mr. Hawkins, Mr. Matthew T. Murphy, the Chief Financial Officer of DCT, Mr. Reilly and Mr. Thomas S. Olinger, the Chief Financial Officer of Prologis, and Mr. Hamid R. Moghadam, the Chief Executive Officer of Prologis, who was present telephonically, met to discuss the possibility of a business combination involving the two companies, including a proposed exchange ratio, the proposed form of consideration, potential synergies from a combination and the potential growth prospects for the combined company. The representatives of Prologis proposed an all-stock transaction with an exchange ratio of 1.00 share of Prologis common stock per share of DCT common stock. Mr. Hawkins and Mr. Murphy asked clarifying questions during this meeting, including whether there was any flexibility in the proposed price and/or currency of the transaction. Prologis indicated that there was no flexibility on those proposed terms. Mr. Hawkins then indicated that he would present Prologis' proposal to the DCT Board at its regularly scheduled January 31, 2018 meeting. In advance of that meeting, Mr. Hawkins informed the members of the DCT Board of the discussions with Prologis and that Prologis' proposal would be discussed in detail at the meeting to be held on January 31, 2018.

On January 31, 2018, the DCT Board held a regularly scheduled meeting. Members of senior management and representatives of BofA Merrill Lynch (who participated telephonically), which had advised DCT in the past on certain financial matters, were in attendance and the DCT Board discussed Prologis' proposal. At this meeting, the DCT management team presented Prologis' proposal and BofA Merrill Lynch presented to the DCT Board its views on the current state of the industrial real estate sector and the mergers and acquisitions market for publicly traded REITs. The DCT Board discussed these matters and authorized Mr. Hawkins and Mr. Thomas F. August, the Chairman of the DCT Board, to continue the dialogue with Prologis and to propose the principal terms on which it would pursue a transaction, which included the following: (i) an exchange ratio of 1.0375 shares of Prologis common stock per share of DCT common stock; (ii) a termination fee of 1% of DCT's equity value; and (iii) two seats for designees of DCT on the board of directors of the combined company.

On February 5, 2018, Mr. Hawkins and Mr. August called Mr. Moghadam and Mr. Reilly to discuss further the feasibility of a potential business combination transaction and the DCT Board's thoughts on pricing and terms. On this call, Mr. Hawkins and Mr. August conveyed the DCT Board's principal terms for a transaction, including the proposed exchange ratio of 1.0375 shares of Prologis common stock per share of DCT common stock, a termination fee of 1% of DCT's equity value and two seats for DCT designees on the board of directors of Prologis. The parties also discussed the scope of mutual due diligence and timing of a potential transaction. The Prologis representatives agreed to consider the DCT Board's proposed terms but expressed the view that the proposed exchange ratio would likely not be acceptable to Prologis based on its financial analysis to date and that Prologis would not agree to a termination fee of 1% of DCT's equity value. Later on February 5, 2018,

Table of Contents

Mr. Reilly called Mr. Hawkins to confirm that it would be acceptable for Mr. Olinger to contact Mr. Murphy to discuss certain financial matters based on publicly available information.

On February 6, 2018, Mr. Olinger and Mr. Murphy had a call to discuss DCT's publicly available financial information as well as potential general and administrative expense synergies based on such public information. Also on February 6, 2018, Mr. Reilly called Mr. Hawkins to indicate that Prologis was continuing to work through the details of a possible transaction. Mr. Hawkins requested whether there was any update on an indication of pricing based on the DCT Board's proposed exchange ratio of 1.0375 shares of Prologis common stock per share of DCT common stock. Mr. Reilly did not have an update at that time, but called Mr. Hawkins later on February 6, 2018, to indicate that the gap between Prologis' proposed pricing and the DCT Board's proposed pricing was too large and that Prologis did not believe it would be able to materially increase the proposed exchange ratio.

Later on February 6, 2018, the DCT Board met telephonically and Mr. Hawkins conveyed to the DCT Board Prologis' belief that it could not achieve acceptable terms with respect to the proposed transaction. Following this meeting, discussions with Prologis regarding the proposed transaction ceased.

On February 13, 2018, a real estate advisor representing Party A contacted DCT to express interest in renewing discussions of a potential strategic transaction and requested that the parties schedule an in-person meeting.

On February 20, 2018, Mr. Hawkins and several members of Party A's management team, as well as representatives from Party A's real estate advisor, met at Party A's offices and had preliminary discussions regarding Party A's interest in growing its industrial portfolio and platform and its interest in exploring a potential transaction with DCT as a way to do so. Party A indicated that it was reviewing publicly available information on DCT, but no proposals were made at this time.

On March 15, 2018, a member of senior management of Party A contacted Mr. Hawkins and indicated that Party A remained interested in a strategic transaction with DCT but noted that size and valuation were making such a transaction difficult from a capital markets perspective. Party A indicated that it needed to complete additional work in order to make a proposal.

On March 28, 2018, Mr. Reilly again contacted Mr. Hawkins to express an interest in renewing discussions concerning a potential business combination transaction with DCT. Mr. Hawkins indicated that DCT was still open to discussions with Prologis, but emphasized that he believed that, to be compelling for the DCT Board, Prologis would have to propose a price representing a full value for DCT's assets and business, and a substantial premium to the current trading price of shares of DCT common stock.

On March 28, 2018, during a discussion between Mr. Moghadam and a representative of BofA Merrill Lynch regarding unrelated matters, Mr. Moghadam expressed interest in engaging in discussions regarding a potential business combination transaction with DCT. BofA Merrill Lynch advised Mr. Hawkins of Mr. Moghadam's comments, and Mr. Hawkins authorized BofA Merrill Lynch to explore further with Prologis its interest in a potential transaction.

On March 29, 2018, Mr. Moghadam and a representative of BofA Merrill Lynch discussed a revised Prologis proposal and Mr. Moghadam indicated Prologis was prepared to move forward with an all-stock transaction based on an exchange ratio of 1.02 shares of Prologis common stock per share of DCT common stock, which represented a 13.7% premium to the closing price of shares of DCT common stock on March 28, 2018. Additionally, Prologis was prepared to offer DCT one board seat on the Prologis Board and indicated a willingness to consider a potential two-tier termination fee structure, which would involve an initial lower termination fee that increased after an agreed-upon period. Subsequent to that discussion, the BofA Merrill Lynch representative relayed the updated key terms to Mr. Hawkins. Mr. Hawkins then had a brief call with Messrs. Moghadam and Reilly to

Table of Contents

confirm the above terms and Mr. Hawkins scheduled a telephonic special meeting of the DCT Board to discuss Prologis' proposal.

On April 2, 2018, Mr. Hawkins had a telephonic conversation with a member of senior management of Party A to discuss the status of Party A's interest in a potential transaction. Party A initially indicated that no decision was imminent, but later that afternoon contacted Mr. Hawkins and indicated that Party A was having a management meeting that evening and there might be more clarity after that meeting.

Also on April 2, 2018, the DCT Board held a telephonic special meeting with members of DCT's senior management and representatives from BofA Merrill Lynch and Goodwin Procter LLP, outside counsel to DCT, and referred to herein as Goodwin Procter, in attendance. At the direction of DCT, BofA Merrill Lynch prepared materials providing a review of Prologis' Strategic Capital business, a review of Prologis' operating and financial highlights, a comparison of DCT's and Prologis' portfolios and other metrics, a preliminary illustrative combination analysis and a review of other transaction considerations, including deal protection mechanisms that were distributed in advance of the meeting. During the April 2, 2018 meeting, Mr. Hawkins outlined Prologis' proposal, including the proposed exchange ratio, and discussed his conversation with Party A and the status of Party A's interest in a strategic transaction with DCT. Mr. Hawkins reminded the DCT Board that, while past discussions with Party A included preliminary discussions with respect to value, Party A had not provided any sense of value since expressing renewed interest in a strategic transaction with DCT. Representatives of Goodwin Procter then provided an overview of the DCT Board's duties as directors under Maryland law. Representatives of BofA Merrill Lynch then discussed DCT's and Prologis' portfolio metrics and geography and Prologis' Strategic Capital business and discussed the relative share price performance of DCT and Prologis and the industrial REIT sector generally. Representatives of BofA Merrill Lynch discussed with the DCT Board a preliminary financial analysis of a proposed business combination with Prologis based on DCT's then-current trading price and Prologis' proposed exchange ratio. In addition, representatives of BofA Merrill Lynch discussed, based on public information, the financial impact of a proposed combination of Prologis and DCT at various offer prices for DCT. Representatives of BofA Merrill Lynch also discussed with the DCT Board an overview of certain transaction considerations, including governance and management, deal certainty and deal protection mechanisms.

During the April 2, 2018 DCT Board meeting, the DCT Board evaluated and considered, with the assistance of DCT's legal and financial advisors, the financial and other terms of Prologis' proposal, Prologis' ability and interest in a potential strategic transaction, the strategic fit associated with a combination of DCT and Prologis, the discussions with Prologis to date, the proposed due diligence process, whether the exchange ratio in Prologis' acquisition proposal was at a sufficient level to warrant further conversation regarding a potential strategic transaction and the historic and current discussions with Party A. The DCT Board also discussed whether (i) continuing to pursue DCT's existing business strategy as an independent, stand-alone company and not engaging in any strategic transaction with any third party or (ii) exploring possible cash sale transactions, including with Party A, were potentially better alternatives for DCT than the Prologis stock-for-stock proposal. In discussing the proposed Prologis transaction and considering alternatives, the DCT Board focused on, among other matters, the deal protection mechanisms BofA Merrill Lynch had highlighted and the director duties representatives of Goodwin Procter had discussed. Mr. Hawkins noted that Prologis was unwilling to consider a termination fee of 1% of DCT's equity value, but that Prologis had indicated it would consider a two-tier termination fee structure. The DCT Board, DCT management and the representatives of BofA Merrill Lynch and Goodwin Procter discussed the possibility of a two-tiered termination fee and the potential structuring variations. The DCT Board agreed to reconvene on April 4, 2018 to continue discussing Prologis' proposal, including the valuation and deal protection provisions and the termination fee construct.

Table of Contents

On April 3, 2018, Party A reached out to Mr. Hawkins telephonically to indicate Party A was prepared to move forward with a potential transaction at a price of \$61.53 in cash per share of DCT common stock, which was equal to DCT's 52-week high. Additionally, Party A would require DCT not to pay any dividends, that had not already been declared, between signing and closing of the proposed transaction and indicated it would retain the DCT employee team. Party A further indicated that it might be able to offer an additional \$1.00 to \$1.50 per share of DCT common stock depending on the results of a more in-depth review of DCT's rent roll and development pipeline but that otherwise, in its view, its proposal reflected a full value for DCT without room for further price increase.

Also on April 3, 2018, Mr. Hawkins called Mr. Moghadam and Mr. Reilly to inform them that the DCT Board had met on April 2, 2018 and that the two-tier termination fee structure was an area of focus and importance for the DCT Board and that the DCT Board was continuing to discuss Prologis' proposal.

On April 4, 2018, the DCT Board reconvened and held a telephonic special meeting with members of DCT's senior management and representatives from BofA Merrill Lynch and Goodwin Procter in attendance. During the April 4, 2018 DCT Board meeting, Mr. Hawkins and BofA Merrill Lynch discussed with the DCT Board the oral indication of interest received from Party A on April 3, 2018 and compared it to the Prologis proposal. Following a discussion of Party A's proposal, the DCT Board concluded that Party A's proposal was not as compelling as the Prologis proposal particularly in light of the potential upside represented by the growth prospects of a combination with Prologis and the fact that DCT could continue to pay its quarterly dividends of \$0.36 per DCT share until the completion of the transaction with Prologis. Accordingly, the DCT Board determined not to pursue further discussions with Party A. The DCT Board then continued to discuss the Prologis proposal from its April 2, 2018 meeting, including the deal protection provisions and two-tier termination fee structure, including specific amounts for the termination fees, and the viability of a higher bidder making an offer after the announcement of the proposed merger with Prologis and DCT in the absence of active solicitation efforts. Following this discussion, the DCT Board directed members of senior management, representatives of BofA Merrill Lynch and representatives of Goodwin Procter regarding parameters for negotiating deal protection generally, the inclusion of a two-tier termination fee structure, which should provide for a lower termination fee in the event that another bidder submitted a proposal within the first 30 days after the announcement of the proposed merger with Prologis and DCT, and the relative amount of the termination fees in such structure. The DCT Board then instructed Messrs. Hawkins and August to have further discussions with Prologis in keeping with the discussions at the April 2, 2018 and April 4, 2018 meetings.

On April 5, 2018, Mr. Hawkins informed Party A that the DCT Board had met to consider Party A's indication of interest and that even at the proposed high end of Party A's price range, which assumed inclusion of the potential additional \$1.50 per share of DCT common stock and was adjusted down for the lack of dividend payments to DCT stockholders, the DCT Board did not believe the proposed offer was compelling enough to move forward with discussions at this time. No further discussions with Party A occurred.

Also on April 5, 2018, Mr. Hawkins and Mr. August called Mr. Moghadam and Mr. Reilly and indicated that the DCT Board had met on April 2, 2018 and April 4, 2018 to discuss Prologis' revised proposal. Mr. Hawkins and Mr. August further indicated that the DCT Board was supportive of continued discussions with Prologis with respect to an all-stock transaction with an exchange ratio of 1.02 shares of Prologis common stock per share of DCT common stock, subject to certain key business points being agreed upon. These points were (i) DCT would be able to continue to pay its current quarterly dividend of \$0.36 per share of DCT common stock through closing of the proposed transaction and (ii) a request for two seats for DCT designees on the board of directors of Prologis. Further, Mr. Hawkins and Mr. August indicated that the DCT Board was proposing a two-tiered termination fee that provided for a termination fee of 1.5% of DCT's equity value should DCT

Table of Contents

terminate the merger agreement or change its recommendation regarding the merger with Prologis in connection with a competing bid submitted during the first 30 days after announcement of the proposed merger, with the termination fee equaling 3% of DCT's equity value in all other circumstances where a termination fee would be paid. In those discussions, the parties articulated their respective positions on the termination fees. In addition, the Prologis representatives indicated that they were unwilling to add two more board seats as the Prologis Board was sufficiently sized, and believed that one seat would provide adequate representation for DCT stockholders. It was then agreed that the higher termination fee would be set at 3.25% of DCT's equity value, but that the parties were otherwise willing to proceed on the basis of DCT's proposal; however, the parties left open the number of board seats for DCT designees.

Later on April 5, 2018, Mr. Hawkins called Mr. Moghadam to communicate that one board seat for a DCT designee on the Prologis Board would be acceptable to DCT instead of the two previously requested. Based on these discussions and terms, both DCT and Prologis agreed to move forward with the process and enter into a reciprocal confidentiality agreement and to share non-public information.

On April 6, 2018, DCT provided a draft reciprocal confidentiality agreement to Prologis, and representatives of Mayer Brown LLP, outside counsel to Prologis, and referred to herein as Mayer Brown, which included a "standstill" provision that would prohibit Prologis from engaging in certain transactions involving DCT for one year from the execution date of the confidentiality agreement.

On April 7, 2018 and April 8, 2018, representatives of the management of DCT and Prologis and representatives of Goodwin Procter and Mayer Brown negotiated the terms of the confidentiality agreement, including certain changes to the standstill provision as well as an exclusivity period extending until May 15, 2018 that was requested by Prologis. On April 9, 2018, DCT and Prologis signed the reciprocal confidentiality agreement.

On April 7, 2018, representatives of Mayer Brown provided members of senior management of DCT with a document request list for due diligence.

On April 9, 2018, representatives of Goodwin Procter and representatives of BofA Merrill Lynch provided senior management of Prologis with a document request list for due diligence.

On April 10, 2018, representatives of J.P. Morgan, Prologis' financial advisor, BofA Merrill Lynch, Goodwin Procter and Mayer Brown met telephonically to discuss due diligence review. Also on April 10, 2018, DCT opened a virtual data room with due diligence information for Prologis, with Prologis opening its virtual data room with due diligence information for DCT on the same date.

On April 13, 2018, representatives of Goodwin Procter sent to representatives of Mayer Brown a draft merger agreement, which included generally reciprocal representations and warranties and customary interim operating covenants and closing conditions, as well as deal protection provisions reflecting the two-tiered termination fee. From April 13, 2018 through April 29, 2018 Prologis and DCT, together with their respective legal and financial advisors, negotiated the draft merger agreement and related transaction documentation.

On April 18, 2018, Mayer Brown provided Goodwin Procter with initial comments on the draft merger agreement on behalf of Prologis. The revised draft merger agreement provided for, among other things, reduced representations and warranties and interim operating covenants for Prologis given that former DCT stockholders would represent approximately 15% of the combined company, revisions to the circumstances in which termination fees would be payable by the parties, including revisions to the non-solicitation definitions and provisions, limits on the applicability of the lower termination fee for competing bidders that continued discussions past the initial thirty-day period, and certain changes to the matching rights provisions, closing conditions and the employment matters and tax matters covenants.



Table of Contents

On April 18, 2018, the DCT Board met telephonically with members of DCT management, and representatives of BofA Merrill Lynch and Goodwin Procter were in attendance. Representatives of each of BofA Merrill Lynch and Goodwin Procter discussed the scope of the reverse due diligence plan and current status of such due diligence to date. Representatives of Goodwin Procter also provided a brief update on the revised draft of the merger agreement received earlier on April 18, 2018 and the DCT Board discussed some of the open issues reflected in the draft agreement.

During the afternoon of April 19, 2018, representatives of Prologis, DCT, Mayer Brown and Goodwin Procter met telephonically to discuss open diligence matters.

Later on April 19, 2018, representatives of Goodwin Procter and representatives of Mayer Brown met telephonically to discuss certain open issues in the draft merger agreement, including the deal protection provisions and the circumstances in which the lower termination fee would be applicable.

On April 20, 2018, Mayer Brown received a revised draft of the proposed merger agreement from Goodwin Procter. The draft merger agreement provided for, among other things, revisions to the representations and warranties, covenants, closing conditions and the deal protection provisions, including as to the applicability of the lower termination fee.

On April 21, 2018, representatives of Mayer Brown and Goodwin Procter met telephonically to discuss certain open issues on a preliminary basis.

On April 22, 2018, representatives of BofA Merrill Lynch and representatives of J.P. Morgan met telephonically to discuss open issues in the merger agreement, including the deal protection provisions.

On April 22, 2018, Prologis and DCT and representatives of Mayer Brown and Goodwin Procter met telephonically to discuss certain open points in the merger agreement. The meeting participants discussed multiple areas of the merger agreement, including representations and warranties and covenants, but were unable to resolve open issues with respect to the termination fees.

Throughout the week of April 22, 2018, Prologis and DCT continued to engage in mutual due diligence with various conversations among the parties and their representatives to answer questions regarding the other party's finances, operations and assets. Diligence efforts were largely completed by April 27, 2018 with confirmatory due diligence finalized over the weekend of April 28 and 29, 2018.

On April 23, 2018, DCT and BofA Merrill Lynch signed an engagement letter, and BofA Merrill Lynch continued working with the DCT Board as DCT's financial advisor in connection with the potential combination with Prologis.

On April 24, 2018, Mr. Hawkins called Mr. Moghadam to discuss the open issues regarding the termination fees and specifically the circumstances in which the lower termination fee would be applicable. After discussion, Mr. Moghadam and Mr. Hawkins agreed that the lower termination fee would apply to competing bidders with whom DCT commenced negotiations within the initial 30-day period following the execution of the merger agreement, but only to the extent that the merger agreement was terminated within 45 days following the execution of the merger agreement.

On April 24, 2018, representatives of Goodwin Procter circulated a draft of the DCT disclosure schedule to representatives of Mayer Brown.

On April 25, 2018, representatives of Mayer Brown circulated a revised draft of the merger agreement to representatives of Goodwin Procter reflecting certain new representations and warranties and additional covenants as well as changes to the deal protection provisions and corresponding definitions consistent with the discussion Mr. Hawkins and Mr. Moghadam had on April 24, 2018.

On April 26, 2018, representatives of Goodwin Procter met telephonically with representatives of Mayer Brown to discuss open items in the merger agreement, including proposed changes to the merger agreement with respect to certain representations and warranties and certain details of the deal protection provisions and the termination right and remedies in respect of a breach of the non-solicitation covenant.

Table of Contents

Later on April 26, 2018, the DCT Board held a telephonic special meeting. Representatives of BofA Merrill Lynch and Goodwin Procter were also in attendance. Mr. Hawkins provided an overview of the discussions that had occurred since the DCT Board meeting on April 18, 2018 and the status of negotiations with Prologis.

At the April 26, 2018 meeting of the DCT Board, DCT management and representatives of BofA Merrill Lynch and Goodwin Procter discussed with the DCT Board an update on the negotiation process, including an overview of the status of the mutual due diligence process, how the merger agreement negotiations were progressing, and an estimated timetable for steps between signing and closing a transaction. The DCT Board also reviewed and discussed with BofA Merrill Lynch the strategic rationale for the combination of the companies. The DCT Board then discussed certain benefits of the transaction, including (i) the increased scale and diversification of the combined portfolio, (ii) increased earnings power with synergy and efficiency potential, (iii) an enhanced investment-grade pro forma balance sheet, (iv) that the implied offer price represented a 16% premium over DCT's current trading price, (v) that the deal would result in a 33% increase in the quarterly dividend to DCT stockholders, (vi) that the deal could be accretive to combined company's stockholders based on various financial metrics and other factors, positive and negative, described in "Reasons for the Merger," as well as the risks described in "Reasons for the Merger."

At the April 26, 2018 meeting of the DCT Board, representatives of BofA Merrill Lynch discussed its preliminary financial analysis of the proposed transaction, noting that this preliminary analysis was based on financial forecasts prepared by management of DCT, with respect to DCT, and by management of Prologis and provided to management of DCT, with respect to Prologis (which were reviewed by management of DCT and provided to BofA Merrill Lynch for use in preparing its financial analysis). Additionally, BofA Merrill Lynch's analysis addressed the impact of projected synergy estimates prepared by management of Prologis and provided to it by management of DCT.

At the April 26, 2018 meeting of the DCT Board, the DCT Board discussed BofA Merrill Lynch's preliminary financial analysis in detail and asked questions of representatives of BofA Merrill Lynch. The DCT Board discussed the price implied by the exchange ratio, including by discussing the attractive value that it provided to the holders of shares of DCT common stock. The DCT Board discussed the relative trading of the two companies since the DCT Board's initial meeting to discuss Prologis' proposal. The DCT Board also asked questions regarding the combined company's position in the marketplace and projected transaction synergies.

At the April 26, 2018 meeting of the DCT Board, representatives of Goodwin Procter discussed with the DCT Board the duties of a director under Maryland law and provided a summary of the proposed merger agreement. As part of the discussions, representatives of Goodwin Procter walked the DCT Board through the structure of the mergers, the general nature of the representations and warranties, interim operating covenants, other covenants and closing conditions contained in the merger agreement, the two-tier termination fee structure, the events that would trigger the payment of a termination fee and/or expense reimbursement, the terms of the non-solicitation covenant and related deal protection provisions in the merger agreement. The DCT Board asked questions of representatives of Goodwin Procter regarding the proposed draft merger agreement and discussed various terms of the agreement.

At the April 26, 2018 meeting of the DCT Board, the members of the DCT Board discussed the financial analysis from BofA Merrill Lynch and the legal summary from Goodwin Procter and determined that DCT should proceed with finalizing the merger agreement and other aspects of the transaction.

Also on April 26, 2018, representatives of Goodwin Procter circulated a revised draft of the merger agreement to representatives of Mayer Brown reflecting certain changes to the representations and warranties and additional covenants.

Table of Contents

On April 27, 2018, representatives of Mayer Brown sent a draft of the Prologis disclosure schedule to representatives of Goodwin Procter. Representatives of Goodwin Procter met telephonically with representatives of Mayer Brown to discuss open issues with respect to the DCT disclosure schedule and continued to finalize due diligence in regards to the same.

Also on April 27, 2018, representatives of Mayer Brown circulated a revised draft of the merger agreement to representatives of Goodwin Procter reflecting certain changes to definitions, the representations and warranties, additional covenants between the companies related to employment matters, tax matters and registration rights and proposed an outside closing date of December 31, 2018.

Later on April 27, 2018, representatives of Goodwin Procter circulated a revised draft of the DCT disclosure schedule to representatives of Mayer Brown and communicated certain comments on the merger agreement to representatives of Mayer Brown.

On April 28, 2018, the DCT Board was provided with substantially final drafts of the merger agreement and proposed board resolutions, as well as a revised summary of the terms of the merger agreement prepared by Goodwin Procter that highlighted provisions and terms that had been revised since the previous meeting of the DCT Board on April 26, 2018. The DCT Board was also provided with an updated financial presentation prepared by BofA Merrill Lynch, which contained its financial analysis and certain other information with respect to the proposed transactions.

BofA Merrill Lynch also provided the DCT Board with a material relationships disclosure memorandum, dated April 27, 2018, which we refer to as the BofA Merrill Lynch disclosure memorandum, a prior version of which, dated April 13, 2018, had been previously presented to the DCT Board. The BofA Merrill Lynch disclosure memorandum included certain information regarding BofA Merrill Lynch's material relationships with DCT and Prologis including, among other things, that certain members of the financial advisory deal team working with DCT (i) have assisted Prologis on one or more capital markets transactions, (ii) are members of the coverage team for Prologis and (iii) had discussions from time to time with Prologis regarding potential opportunities not related to an acquisition of DCT.

Also on April 28, 2018, representatives of Goodwin Procter and representatives of Mayer Brown continued to finalize the terms of their respective disclosure schedules and exhibits to the merger agreement. Representatives of Goodwin Procter and representatives of Mayer Brown also exchanged comments on the merger agreement.

On the morning of April 29, 2018, representatives of Goodwin Procter and representatives of Mayer Brown finalized the merger agreement and their respective disclosure schedules. The final merger agreement, together with the final exhibits and disclosure schedules were then circulated to all parties.

On April 29, 2018, the DCT Board held a telephonic special meeting with members of senior management of DCT and representatives of Goodwin Procter and BofA Merrill Lynch. Representatives of BofA Merrill Lynch reviewed with the DCT Board its financial analysis of the merger consideration noting, among other things, that based on the fixed exchange ratio of 1.02 shares of Prologis common stock per share of DCT common stock holders of DCT common stock would realize a 15.6% implied offering premium based on DCT's common stock price as of close of business on April 27, 2018. BofA Merrill Lynch then delivered to the DCT Board an oral opinion, which was confirmed by delivery of a written opinion dated April 29, 2018, to the effect that, as of that date and based on and subject to various assumptions and limitations described in its written opinion, the exchange ratio provided for in the company merger is fair, from a financial point of view, to the holders of DCT common stock. Representatives of Goodwin Procter summarized the final terms of the merger agreement. Goodwin Procter then walked the DCT Board through the proposed corporate approvals for the transaction. Mr. Hawkins then led the DCT Board in a discussion of the transaction and the DCT Board discussed

Table of Contents

the value provided by the exchange ratio and determined that the implied price paid by Prologis was highly attractive to the holders of shares of DCT common stock. Following these presentations and discussions, and other discussions by the DCT Board concerning, among other things, the matters described below under " Recommendation of the DCT Board and Its Reasons for the Mergers," the DCT Board, by a unanimous vote of all directors, then (i) approved, determined and declared advisable the merger agreement and the transactions contemplated thereby, including the company merger and the partnership merger, in all respects and (ii) recommended the approval of the company merger by DCT stockholders.

Following the DCT Board meeting, Mr. Hawkins contacted Mr. Moghadam to advise Mr. Moghadam that the DCT Board had approved the transaction.

Also on April 29, 2018, the Prologis Board held a telephonic special meeting with members of Prologis' senior management in attendance. Members of Prologis' senior management reviewed with the Prologis Board the results of its due diligence investigation of DCT, the final terms and conditions of the merger agreement, the duties of the Prologis Board under Maryland law, required approvals for the transaction and the financial implications to Prologis of the merger. Following these discussions, the Prologis Board, by a unanimous vote of all directors, then approved the merger agreement and the transactions contemplated thereby, including the company merger and the partnership merger and the issuances of Prologis common stock and Prologis OP units in connection therewith. The Prologis Board declared the merger agreement and the transactions contemplated thereby, including the company merger and the partnership merger and the issuance of Prologis common stock and Prologis OP units in connection therewith, to be advisable and in the best interests of Prologis and its stockholders.

On the afternoon of April 29, 2018, DCT and Prologis executed and delivered the merger agreement and issued a joint press release publicly announcing the mergers and execution of the merger agreement.

**Recommendation of the DCT Board of Directors and Its Reasons for the Mergers**

In evaluating the merger agreement and the transactions contemplated thereby, including the mergers, the DCT Board consulted with DCT's senior management and its outside legal counsel and financial advisor and unanimously determined and declared that the mergers are advisable and in the best interests of DCT and its stockholders. The DCT Board has unanimously approved the mergers and the other transactions contemplated by the merger agreement, has unanimously approved the merger agreement and unanimously recommends that the DCT stockholders vote to approve the company merger on the terms and conditions set forth in the merger agreement.

In determining that the mergers are advisable and in the best interests of DCT and its stockholders, in authorizing and approving the mergers on the terms set forth in the merger agreement, in approving the merger agreement and in recommending that DCT stockholders vote to approve the company merger on the terms set forth in the merger agreement, the DCT Board considered various factors that it viewed as supporting its decisions, including the following material factors:

the receipt of Prologis common stock as merger consideration provides DCT stockholders with the opportunity to have an ownership stake in the Combined Company, which is expected to provide a number of significant potential strategic opportunities and benefits, including the following:

the mergers combine two, complementary portfolios with similar business strategies in top United States markets, allowing the Combined Company to capture immediate and substantial cost synergies in the form of corporate general and administrative cost savings, operating cost savings, interest expense and lease adjustments, as well as long-term revenue

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

### Table of Contents

synergies from operating performance and development value creation, all of which will ultimately drive increases to net operating income;

the Combined Company will operate on a platform with deeper market knowledge and relationships, more flexibility and access to better information, resulting in the ability to serve customers better and generate greater revenue;

the Combined Company will be among the largest publicly traded United States REITs (and the largest publicly traded industrial REIT) based on equity market capitalization, and its meaningful scale and investment grade rating are expected to allow it to capitalize on corporate and operating cost efficiencies, and gain more efficient access to less expensive capital, giving it significant competitive advantages over its smaller, less efficient peers;

the Combined Company's portfolio will be balanced from a geographic and customer perspective in strategic markets and submarkets, which, together with the scale of the combined operations, are expected to result in substantial benefits for the Combined Company and its stakeholders; and

the transaction is expected to be accretive to FFO/share in the first full year;

the information with respect to the business, operating results and financial condition of Prologis, on both a historical and prospective basis, including Prologis' stable operating performance, the quality, breadth and experience of Prologis' senior management team, and the complementary markets served by the two companies, as well as the DCT Board's knowledge of the current and prospective environment in which the two companies operate, including industry, economic and market conditions, taking into account the results of DCT's due diligence review of Prologis;

current market and industry trends, DCT's future prospects as an independent company and the challenges and risks that could affect DCT's future performance;

the merger consideration had an implied value per share of DCT common stock of \$67.91, which represented a premium of approximately 15.6% to DCT's stock price, based on closing prices on April 27, 2018, the last trading day prior to the public announcement of the merger agreement;

the exchange ratio in the company merger is fixed and will not fluctuate as a result of changes in the market price of DCT common stock or Prologis common stock, which provides certainty as to the pro forma percentage ownership of the Combined Company that the DCT stockholders would receive in the company merger;

based on the current dividend rates of DCT and Prologis, DCT stockholders would see an approximately 33% increase in the dividend rate immediately after the closing, assuming no change in Prologis' current dividend rate;

the merger consideration, consisting of Prologis common stock, which will be listed for trading on the NYSE, continues to provide liquidity for DCT stockholders desiring to liquidate their investment after the company merger;

the opinion of BofA Merrill Lynch, dated April 29, 2018, to the DCT Board as to the fairness, from a financial point of view and as of the date of the opinion, to holders of DCT common stock of the exchange ratio provided for in the company merger, as more fully described below in the section entitled " Opinion of DCT's Financial

Advisor";

the expectation that, for DCT stockholders that are United States holders, the company merger will generally qualify as a tax-free transaction for United States federal income tax purposes;

Table of Contents

that immediately following the completion of the company merger, the board of directors of the Combined Company will consist of twelve directors, one of whom will be designated by DCT;

the company merger is subject to approval by holders of a majority of the outstanding shares of DCT common stock;

the merger agreement permits DCT to continue to pay its stockholders regular quarterly dividends of up to \$0.36 per share of DCT common stock through consummation of the company merger;

the merger agreement provides DCT with the ability, under certain specified circumstances, to consider an acquisition proposal if the DCT Board determines such proposal would reasonably be expected to lead to a Superior Proposal and that failure to take such action would be inconsistent with their duties as directors under applicable law, and the merger agreement provides the DCT Board with the ability, under certain specified circumstances, to make a change in recommendation and to terminate the merger agreement following such change in recommendation in order to enter into an agreement with respect to a Superior Proposal upon payment of a termination fee, in an amount equal to either \$100 million or \$216 million, depending on when the termination occurs and whether the person making the Superior Proposal is a qualified bidder, and/or reimburse Prologis' transaction expenses up to \$15 million depending on the circumstances, which the DCT Board concluded was reasonable in the context of termination fees payable in comparable transactions and in light of the overall structure of the transaction and terms of the merger agreement;

the merger agreement would provide DCT with sufficient operating flexibility between the signing of the merger agreement and the completion of the company merger for DCT to conduct its business in the ordinary course of business consistent with past practice;

the commitment on the part of each of DCT and Prologis to complete the company merger as reflected in their respective obligations under the terms of the merger agreement and the absence of any required government consents, and the likelihood that the company merger will be completed on a timely basis;

the other terms of the merger agreement, including representations, warranties and covenants of the parties, as well as the conditions to their respective obligations under the merger agreement;

that in light of the expected long-term strategic and financial benefits associated with the combination of DCT and Prologis, the ability of DCT stockholders to continue to benefit from the prospects of the Combined Company, the overall terms of the company merger and the timing, likelihood and risks of completing alternative transactions, including the business, competition, industry and market risks that would apply to DCT, the company merger, as compared to potential alternatives, including the continued independent operation of DCT and DCT's prospects for a merger or sale transaction with a company other than Prologis and the potential terms for such other transactions as more particularly described in this proxy statement/prospectus under "The Mergers Background of the Mergers," would be in the best interests of DCT stockholders; and

the course of negotiations with Prologis, which were conducted at arm's length and during which the DCT Board was advised by its legal and financial advisors, including the fact that the negotiations resulted in provisions allowing an interested party an opportunity to make an alternative proposal during a specified period, which if accepted by DCT under specified

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

### Table of Contents

circumstances, would result in a termination fee of \$100 million (instead of \$216 million) being paid to Prologis.

The DCT Board also considered a variety of risks and other potentially negative factors in considering the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the following material factors:

that, following the completion of the company merger, DCT would no longer exist as an independent public company and DCT stockholders would be able to participate in any future earnings growth DCT might have achieved, solely through their ownership of Prologis common stock;

that, because the merger consideration is a fixed exchange ratio of shares of Prologis common stock, DCT stockholders could be adversely affected by a decline in the market price of Prologis common stock and the fact that the merger agreement does not provide for any adjustment of the merger consideration if the market price of Prologis common stock declines and does not provide a price-based termination right or other similar protection in favor of DCT or DCT stockholders;

the risk that the cost savings, operational synergies and other benefits to the DCT stockholders expected to result from the company merger might not be fully realized or not realized at all, including as a result of possible changes in the real estate market or the industrial real estate business affecting the markets in which the Combined Company will operate or as a result of potential difficulties integrating the two companies and their respective operations;

the risk that a different strategic alternative potentially could be more beneficial to DCT stockholders than the proposed company merger;

that, under the terms of the merger agreement, DCT must pay to Prologis a termination fee in an amount of either \$100 million or \$216 million, depending on when the termination occurs and whether a person making a Superior Proposal is a qualified bidder, and/or reimburse certain expenses incurred by Prologis in connection with the mergers (up to \$15 million) if the merger agreement is terminated under certain circumstances, which might discourage or deter other parties from proposing an alternative transaction that may be more advantageous to DCT stockholders, or which may become payable in circumstances when no alternative transaction or Superior Proposal is available to DCT;

the terms of the merger agreement place limitations on the ability of DCT to solicit, initiate, knowingly encourage or knowingly facilitate any inquiries or the making of any proposal by or with a third party with respect to a competing transaction and to furnish information to, or enter into discussions with, a third party interested in pursuing an alternative strategic transaction;

the risk that one or more of the conditions to the parties' obligations to complete the company merger will not be satisfied or waived;

the risk of diverting management focus and resources from operational matters and other strategic opportunities as well as causing significant distractions for DCT's employees while working to implement the company merger, which may result in harm to DCT's business if the mergers do not close;

the possibility that the mergers may not be completed, or may be unduly delayed, for reasons beyond the control of DCT or Prologis, including because DCT stockholders may not approve the company merger and the other transactions contemplated by the merger agreement;



Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

provisions in the merger agreement restricting operation of DCT's business during the period between the signing of the merger agreement and consummation of the company merger may

Table of Contents

delay or prevent DCT from undertaking business opportunities that may arise or other actions it would otherwise take with respect to its operations absent the pending completion of the company merger;

that DCT and Prologis may be obligated to complete the mergers without having obtained appropriate consents, approvals or waivers from the counterparties under certain of DCT's contracts that require consent or approval to consummate the mergers, and the risk that such consummation could trigger the termination of, or default under, such contracts;

that certain of DCT's directors and executive officers have certain interests in the company merger that might be different from the interests of DCT stockholders generally as described under the section entitled " Interests of DCT Directors and Executive Officers in the Mergers" beginning on page 82;

the expenses to be incurred in connection with the company merger; and

the types and nature of the risks described under the section entitled "Risk Factors" beginning on page 33.

This discussion of the foregoing information and material factors considered by the DCT Board in reaching its conclusions and recommendations is not intended to be exhaustive and is not provided in any specific order or ranking. In view of the wide variety of factors considered by the DCT Board in evaluating the merger agreement and the transactions contemplated by the merger agreement, including the company merger, and the complexity of these matters, the DCT Board did not find it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weight to those factors. In addition, different members of the DCT Board may have given different weight to different factors. The DCT Board did not reach any specific conclusion with respect to any of the factors considered and instead conducted an overall review of such factors and determined that, in the aggregate, the potential benefits considered outweighed the potential risks or possible negative consequences of approving the merger agreement, the mergers and the other transactions contemplated by the merger agreement.

This explanation of the reasoning of the DCT Board and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 45.

After careful consideration, for the reasons set forth above, the DCT Board unanimously recommends that the DCT stockholders vote FOR the proposal to approve the company merger on the terms and conditions set forth in the merger agreement.

**Opinion of DCT's Financial Advisor**

DCT has retained BofA Merrill Lynch to act as its financial advisor in connection with the mergers. BofA Merrill Lynch is an internationally recognized investment banking firm that is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. DCT selected BofA Merrill Lynch to act as DCT's financial advisor in connection with the mergers on the basis of BofA Merrill Lynch's experience in transactions similar to the mergers, its reputation in the investment community and its familiarity with DCT and its business.

On April 29, 2018, at a meeting of the DCT Board held to evaluate the mergers, BofA Merrill Lynch delivered to the DCT Board an oral opinion, which was confirmed by delivery of a written opinion dated April 29, 2018, to the effect that, as of such date and based on and subject to various

Table of Contents

assumptions and limitations described in its opinion, the Exchange Ratio provided for in the company merger was fair, from a financial point of view, to holders of DCT common stock.

**The full text of BofA Merrill Lynch's written opinion to the DCT Board, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex B to this document and is incorporated by reference herein in its entirety. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. BofA Merrill Lynch delivered its opinion to the DCT Board for the benefit and use of the DCT Board (in its capacity as such) in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the company merger and no opinion or view was expressed as to the relative merits of the company merger in comparison to other strategies or transactions that might be available to DCT or in which DCT might engage or as to the underlying business decision of DCT to proceed with or effect the company merger. BofA Merrill Lynch's opinion does not address any other aspect of the company merger and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed company merger or any other matter.**

In connection with rendering its opinion, BofA Merrill Lynch has, among other things:

- a. reviewed certain publicly available business and financial information relating to DCT and Prologis;
- b. reviewed certain internal financial and operating information with respect to the business, operations and prospects of DCT furnished to or discussed with BofA Merrill Lynch by the management of DCT, including certain financial forecasts relating to DCT prepared by the management of DCT, referred to herein as the DCT management forecasts (see " Certain DCT Unaudited Prospective Financial Information");
- c. reviewed certain internal financial and operating information with respect to the business, operations and prospects of Prologis furnished to or discussed with BofA Merrill Lynch by the management of Prologis, including certain financial forecasts relating to Prologis prepared by the management of Prologis, referred to herein as the Prologis management forecasts (see " Certain Prologis Unaudited Prospective Financial Information");
- d. reviewed certain estimates as to the amount and timing of cost savings (collectively, the "cost savings/synergies") anticipated by the management of Prologis, reviewed and approved for BofA Merrill Lynch's use by DCT, to result from the mergers;
- e. discussed the past and current business, operations, financial condition and prospects of DCT with members of senior managements of DCT and Prologis, and discussed the past and current business, operations, financial condition and prospects of Prologis with members of senior managements of DCT and Prologis;
- f. reviewed the potential pro forma financial impact of the mergers on the future financial performance of Prologis, including the potential effect on Prologis' estimated funds from operations;
- g. reviewed the trading histories for DCT common stock and Prologis common stock and a comparison of such trading histories with each other and with the trading histories of other companies BofA Merrill Lynch deemed relevant;
- h. compared certain financial and stock market information of DCT and Prologis with similar information of other companies BofA Merrill Lynch deemed relevant;
- i. reviewed a draft, dated April 27, 2018, of the Agreement, referred to here as the "Draft Agreement"; and

Table of Contents

j.

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and relied upon the assurances of the managements of DCT and Prologis that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the DCT management forecasts, BofA Merrill Lynch was advised by DCT, and assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of DCT as to the future financial performance of DCT. With respect to the Prologis management forecasts and cost savings/synergies, BofA Merrill Lynch was advised by Prologis, and assumed, with DCT's consent, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Prologis as to the future financial performance of Prologis and other matters covered thereby. BofA Merrill Lynch relied, at DCT's direction, upon the assessments of the managements of DCT and Prologis as to Prologis' ability to achieve the cost savings/synergies and was advised by DCT and Prologis, and assumed, with DCT's consent, that the cost savings/synergies would be realized in the amounts and at the times projected. BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of DCT or Prologis, nor did it make any physical inspection of the properties or assets of DCT or Prologis. BofA Merrill Lynch did not evaluate the solvency or fair value of DCT or Prologis under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of DCT, that the mergers would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the mergers, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on DCT, Prologis or the contemplated benefits of the mergers. BofA Merrill Lynch also assumed, at the direction of DCT, that the company merger will qualify for United States federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended and that the partnership merger will qualify as an "asset-over" form of merger under Treasury Regulations Section 1.708-1(c)(3)(i). BofA Merrill Lynch has been advised by DCT and Prologis that each of DCT and Prologis has operated in conformity with the requirements for qualification as a REIT, for United States federal income tax purposes since its formation as a REIT and further have assumed, at the direction of DCT, that the mergers will not adversely affect such status or operations of DCT or Prologis. BofA Merrill Lynch also assumed, at the direction of DCT, that the final executed Agreement would not differ in any material respect from the Draft Agreement reviewed by it.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects or implications of the company merger (other than the exchange ratio to the extent expressly specified in its opinion), including, without limitation, the form or structure of the mergers. BofA Merrill Lynch was not requested to, and it did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of DCT or any alternative transaction. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, of the exchange ratio to the holders of DCT common stock and no opinion or view was expressed with respect to any consideration received in connection with the company merger by the holders of any other class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the company merger, or class of such persons, relative to the exchange ratio or otherwise. Furthermore, no opinion or view was expressed as to the relative merits of the company merger in comparison to other strategies or

Table of Contents

transactions that might be available to DCT or in which DCT might engage or as to the underlying business decision of DCT to proceed with or effect the company merger. BofA Merrill Lynch also did not express any view or opinion with respect to, and BofA Merrill Lynch relied, at the direction of DCT, upon the assessments of representatives of DCT regarding, legal, regulatory, accounting, tax and similar matters relating to DCT, Prologis and the mergers (including the contemplated benefits thereof), as to which matters BofA Merrill Lynch understood that DCT obtained such advice as it deemed necessary from qualified professionals. BofA Merrill Lynch did not express any view or opinion as to what the value of Prologis common stock actually would be when issued or the prices at which DCT common stock or Prologis common stock would trade at any time, including following announcement or consummation of the company merger. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the company merger or any other matter.

BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect its opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by a fairness opinion review committee of BofA Merrill Lynch. Except as described in this summary, DCT imposed no other limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

The discussion set forth below in the section entitled " Summary of Material Financial Analyses" represents a brief summary of the material financial analyses presented by BofA Merrill Lynch to the DCT Board in connection with its opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.**

*Summary of Material Financial Analyses*

*Selected Publicly Traded Companies Analysis.* BofA Merrill Lynch performed separate selected public companies analyses of DCT and Prologis in which BofA Merrill Lynch reviewed and compared financial and operating data relating to DCT and Prologis and the selected publicly traded companies listed below.

*DCT.* In performing a selected public companies analysis of DCT, BofA Merrill Lynch reviewed publicly available financial and stock market information for DCT and the following five REITs, including Prologis, referred to as the DCT selected publicly traded companies:

Prologis, Inc.

Duke Realty Corporation

First Industrial Realty Trust, Inc.

EastGroup Properties, Inc.

Terreno Realty Corporation

BofA Merrill Lynch reviewed enterprise values of the DCT selected publicly traded companies, calculated as equity values based on closing stock prices on April 27, 2018, plus debt, preferred stock

Table of Contents

and minority interests, and less cash and cash equivalents, as a multiple of calendar year 2018 and 2019 estimated earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA. The overall low to high calendar year 2018 and calendar year 2019 EBITDA multiples observed for the DCT selected publicly traded companies were 19.4x to 25.5x (with an average of 22.4x and a median of 22.5x) and 18.5x to 23.4x (with an average of 21.3x and a median of 21.1x), respectively. BofA Merrill Lynch noted that, based on the closing stock price of DCT on April 27, 2018 and the DCT management forecasts, the implied calendar year 2018 and calendar year 2019 EBITDA multiples for DCT were 23.7x and 22.4x. BofA Merrill Lynch then applied a range of calendar year 2018 EBITDA multiples of 22.5x to 24.5x and calendar year 2019 EBITDA multiples of 21.5x to 23.5x, which were derived from the DCT selected publicly traded companies and based on BofA Merrill Lynch's professional judgment, to DCT's calendar year 2018 and calendar year 2019 estimated EBITDA, respectively, based on the DCT management forecasts to calculate a range of indicative enterprise values for DCT, from which BofA Merrill Lynch deducted debt and added cash and cash equivalents to arrive at a range of indicative equity values for DCT. This analysis indicated an approximate implied per share value range for DCT common stock of \$54.72 to \$61.21 based on calendar year 2018 EBITDA and \$55.68 to \$62.56 based on calendar year 2019 EBITDA.

BofA Merrill Lynch also reviewed, among other things, the closing stock prices on April 27, 2018, of the DCT selected publicly traded companies as a multiple of calendar year 2018 and 2019 estimated funds from operations per share, commonly referred to as FFO per share. The overall low to high calendar year 2018 and calendar year 2019 estimated FFO per share multiples observed for the DCT selected publicly traded companies were 18.9x to 30.2x (with an average of 22.5x and a median of 21.1x) and 17.8x to 28.2x (with an average of 21.1x and a median of 19.7x), respectively. BofA Merrill Lynch noted that, based on the closing stock price of DCT on April 27, 2018 and the DCT management forecasts, the implied calendar year 2018 and calendar year 2019 FFO per share multiples for DCT were 22.9x and 21.9x. BofA Merrill Lynch then applied a range of calendar year 2018 FFO per share multiples of 21.5x to 23.5x and calendar year 2019 FFO per share multiples of 20.5x to 22.5x, which were derived from the DCT selected publicly traded companies and based on BofA Merrill Lynch's professional judgment, to DCT's calendar year 2018 and calendar year 2019 estimated FFO per share, respectively, based on the DCT management forecasts. This analysis indicated an approximate implied per share value range for DCT common stock of \$55.19 to \$60.32 based on calendar year 2018 FFO per share and \$54.96 to \$60.33 based on calendar year 2019 FFO per share.

BofA Merrill Lynch also reviewed, among other things, the closing stock prices of April 27, 2018, of the DCT selected publicly traded companies as a multiple of calendar year 2018 and calendar year 2019 estimated adjusted funds from operations per share, commonly referred to as AFFO per share. The overall low to high calendar year 2018 and 2019 estimated AFFO per share multiples observed for the DCT selected publicly traded companies were 22.9x to 38.5x (with an average of 27.2x and a median of 25.4x) and 21.7x to 35.5x (with an average of 25.7x and a median of 24.7x), respectively. BofA Merrill Lynch noted that, based on the closing stock price of DCT on April 27, 2018 and the DCT management forecasts, the implied calendar year 2018 and calendar year 2019 AFFO per share multiple for DCT were 29.1x and 27.7x. BofA Merrill Lynch then applied a range of calendar year 2018 AFFO per share multiples of 27.0x to 30.0x and calendar year 2019 AFFO multiples of 25.5x to 28.5x, which were derived from the DCT selected publicly traded companies and based on BofA Merrill Lynch's professional judgment, to DCT's calendar year 2018 and calendar year 2019 estimated AFFO per share, respectively, based on the DCT management forecasts. This analysis indicated an approximate implied per share value range for DCT common stock of \$54.58 to \$60.65 based on calendar year 2018 AFFO per share and \$54.11 to \$60.47 based on calendar year 2019 AFFO per share.

Table of Contents

*Prologis.* In performing a selected public companies analysis of DCT, BofA Merrill Lynch reviewed publicly available financial and stock market information for Prologis and the following five REITs, including DCT, referred to as the Prologis selected publicly traded companies:

DCT Industrial Trust Inc.

Duke Realty Corporation

First Industrial Realty Trust, Inc.

EastGroup Properties, Inc.

Terreno Realty Corporation

BofA Merrill Lynch reviewed enterprise values of the Prologis selected publicly traded companies as a multiple of calendar year 2018 and 2019 estimated EBITDA to arrive at indicative equity values for Prologis, in the same manner as described above with respect to DCT. The overall low to high calendar year 2018 and calendar year 2019 EBITDA multiples observed for the Prologis selected publicly traded companies were 19.4x to 25.5x (with an average of 22.5x and a median of 22.5x) and 18.5x to 23.1x (with an average of 21.0x and a median of 21.1x), respectively. BofA Merrill Lynch noted that, based on the closing stock price of Prologis on April 27, 2018 and the Prologis management forecasts, the implied calendar year 2018 and calendar year 2019 EBITDA multiple for Prologis were 24.8x and 23.4x. BofA Merrill Lynch then applied a range of calendar year 2018 EBITDA multiples of 22.5x to 25.0x and calendar year 2019 EBITDA multiples of 21.0x to 23.5x, which were derived from the Prologis selected publicly traded companies and based on BofA Merrill Lynch's professional judgment, to Prologis' calendar year 2018 and calendar year 2019 estimated EBITDA, respectively, based on Prologis management forecasts to calculate indicative enterprise values for Prologis, from which BofA Merrill Lynch deducted debt, preferred stock and minority interests and added cash and cash equivalents to arrive at indicative equity values for Prologis. This analysis indicated an approximate implied per share value range for Prologis common stock of \$58.05 to \$67.23 based on calendar year 2018 EBITDA and \$57.28 to \$67.03 based on calendar year 2019 EBITDA.

BofA Merrill Lynch also reviewed, among other things, closing stock prices on April 27, 2018, of the Prologis selected publicly traded companies as a multiple of calendar year 2018 and 2019 estimated FFO per share. The overall low to high calendar year 2018 and calendar year 2019 estimated FFO per share multiples observed for the Prologis selected publicly traded companies were 18.9x to 30.2x (with an average of 22.5x and a median of 21.1x) and 17.8x to 28.2x (with an average of 21.2x and a median of 19.7x), respectively. BofA Merrill Lynch noted that, based on the closing stock price of Prologis on April 27, 2018 and the Prologis management forecasts, the implied calendar year 2018 and calendar year 2019 FFO per share multiple for Prologis were 22.2x and 20.9x. BofA Merrill Lynch then applied a range of calendar year 2018 FFO per share multiples of 20.5x to 22.5x and calendar year 2019 FFO per share multiples of 19.5x to 21.5x, which were derived from the Prologis selected publicly traded companies and based on BofA Merrill Lynch's professional judgment, to Prologis' calendar year 2018 and calendar year 2019 estimated FFO per share, respectively based on Prologis management forecasts. This analysis indicated an approximate implied per share value range of \$61.61 to \$67.62 for Prologis common stock based on calendar year 2018 FFO per share and \$62.11 to \$68.48 based on calendar year 2019 FFO per share.

BofA Merrill Lynch also reviewed, among other things, closing stock prices of April 27, 2018, of the Prologis selected publicly traded companies as a multiple of calendar year 2018 and 2019 estimated AFFO per share. The overall low to high calendar year 2018 and calendar year 2019 estimated AFFO per share multiples observed for the Prologis selected publicly traded companies were 22.9x to 38.5x (with an average of 28.0x and a median of 25.8x) and 21.7x to 35.5x (with an average of 26.3x and a median of 24.7x), respectively. BofA Merrill Lynch noted that, based on the closing stock price of Prologis on April 27, 2018 and the Prologis management forecasts, the implied calendar year 2018 and

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

### Table of Contents

calendar year 2019 AFFO per share multiple for Prologis were 26.2x and 24.3x. BofA Merrill Lynch then applied a range of calendar year 2018 AFFO per share multiples of 23.5x to 26.5x and calendar year 2019 AFFO per share multiples of 21.5x to 24.5x, which were derived from the Prologis selected publicly traded companies and based on BofA Merrill Lynch's professional judgment, to Prologis' calendar year 2018 and calendar year 2019 estimated AFFO per share, respectively, based on Prologis management forecasts. This analysis indicated an approximate implied per share value range for Prologis common stock of \$59.82 to \$67.46 based on calendar year 2018 AFFO per share and \$58.85 to \$67.06 based on calendar year 2019 AFFO per share.

Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, public filings and other publicly available information. Estimated financial data of DCT were based on the DCT management forecasts and estimated financial data of Prologis were based on Prologis management forecasts.

Utilizing the implied per share equity value reference ranges derived for DCT and Prologis described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference ranges, as compared to the merger consideration:

<u>Implied Merger Consideration Reference Ratios Based On</u>	<u>Merger Consideration</u>
<u>2018E EBITDA</u> 0.814x - 1.054x	<u>2019E EBITDA</u> 0.831x - 1.092x
<u>2018E FFO</u> 0.816x - 0.979x	<u>2019E FFO</u> 0.803x - 0.971x
<u>2018E AFFO</u> 0.809x - 1.014x	<u>2019E AFFO</u> 0.807x - 1.028x

No company used in this analysis is identical or directly comparable to DCT or Prologis. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which DCT or Prologis was compared.

*Net Asset Value Analysis.* BofA Merrill Lynch performed separate net asset value analyses of DCT and Prologis, as described below.

*DCT.* BofA Merrill Lynch performed a net asset value analysis of DCT based on the DCT management forecasts and information and data provided by DCT's management. An estimated range of operating real estate values for DCT was calculated by applying a range of capitalization rates from 5.23% to 4.73%, based on BofA Merrill Lynch's professional judgment taking into account then-recent observable data by relevant markets and/or regions (including capitalization rates for stabilized properties), to DCT's estimated cash net operating income for the next twelve months based on DCT management forecasts for the next nine months and extrapolating the final three months using the growth rate implied by the DCT management forecasts. To determine the implied net asset value for DCT, BofA Merrill Lynch added to the range of implied operating real estate values the value of unconsolidated joint ventures, institutional capital management and other fees, development projects in lease-up, development projects under construction and redevelopment, properties in pre-development, value-add acquisitions, land held and other assets and subtracted the total amount of DCT's liabilities, each as based on information provided by DCT management. This analysis indicated an approximate implied per share net asset value reference range for DCT common stock of \$50.76 to \$58.10.



Table of Contents

*Prologis.* BofA Merrill Lynch performed a net asset value analysis of Prologis based on the Prologis management forecasts. An estimated range of operating real estate values for Prologis was calculated by applying a range of capitalization rates from 5.21% to 4.71%, based on BofA Merrill Lynch's professional judgment taking into account then-recent observable data by relevant markets and/or regions (including capitalization rates for stabilized properties), to Prologis' estimated cash net operating income for the next twelve months based on Prologis management forecasts for the next nine months and extrapolating the final three months using the growth rate implied by the Prologis management forecasts. To determine the implied net asset value for Prologis, BofA Merrill Lynch added to the range of implied operating real estate values the value ascribed to strategic capital, net promotes, development management fees, developments and other assets and subtracted the total amount of Prologis' liabilities, each as based on information provided by Prologis management. This analysis indicated an approximate implied per share net asset value reference range for Prologis common stock of \$59.15 to \$67.83.

Utilizing the approximate implied per share equity value reference ranges derived for DCT and Prologis described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference range, as compared to the merger consideration:

Implied Merger Consideration Reference Range	Merger Consideration
0.748x - 0.982x	1.02x

*Discounted Cash Flow Analysis.* BofA Merrill Lynch performed separate discounted cash flow analyses of DCT and Prologis to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that DCT and Prologis were forecasted to generate during the last three quarters of 2018 and fiscal years 2019 through 2022 based on the DCT management forecasts and the Prologis management forecasts, respectively.

*DCT.* BofA Merrill Lynch calculated terminal values for DCT by applying terminal forward multiples of 20.0x to 22.0x (based on BofA Merrill Lynch's professional judgment) to DCT's terminal year estimated EBITDA.

The cash flows (described in " Certain DCT Unaudited Prospective Financial Information") and terminal values were then discounted to present value as of March 31, 2018 (using mid-year convention) using discount rates ranging from 6.9% to 8.3%, which were based on an estimate of DCT's weighted average cost of capital. From the resulting enterprise values, BofA Merrill Lynch deducted net debt as of March 31, 2018 to derive DCT's implied equity value. This analysis indicated an approximate implied per share equity value reference range for DCT common stock of \$48.45 to \$59.04.

*Prologis.* BofA Merrill Lynch calculated terminal values for Prologis by applying terminal forward multiples of 20.5x to 22.5x (based on BofA Merrill Lynch's professional judgment) to Prologis' terminal year estimated EBITDA.

The cash flows (described in " Certain Prologis Unaudited Prospective Financial Information") and terminal values were then discounted to present value as of March 31, 2018 (using mid-year convention) using discount rates ranging from 6.6% to 7.9%, which were based on an estimate of Prologis' weighted average cost of capital. From the resulting enterprise values, BofA Merrill Lynch deducted net debt, preferred stock and non-controlling interests as of March 31, 2018 to derive Prologis' implied equity value. This analysis indicated an approximate implied per share equity value reference range for Prologis common stock of \$56.97 to \$69.07.

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

### Table of Contents

Utilizing the approximate implied per share equity value reference ranges derived for DCT and Prologis described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference ranges, as compared to the merger consideration:

<b>Implied Merger Consideration Reference Range</b>	<b>Merger Consideration</b>
0.701x - 1.036x	1.02x

#### ***Other Factors***

BofA Merrill Lynch also noted certain additional factors that were not considered part of BofA Merrill Lynch's material financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

historical trading prices of DCT common stock and Prologis common stock during the 52-week period ended April 27, 2018, which indicated low and high closing prices for DCT common stock and Prologis common stock during such period of approximately \$50.30 and \$61.42 per share and \$53.82 and \$67.40 per share, respectively, as compared to the closing prices of DCT common stock and Prologis common stock on April 27, 2018 of \$58.75 per share and \$66.58 per share, respectively;

publicly available research analysts' price targets for DCT common stock and Prologis common stock, which indicated low to high price targets for DCT common stock and Prologis common stock of approximately \$54.00 to \$67.00 per share and \$65.00 to \$74.25 per share, respectively, as compared to the closing prices of DCT common stock and Prologis common stock on April 27, 2018 of \$58.75 per share and \$66.58 per share, respectively;

publicly available research analysts' net asset value per share targets for DCT common stock and Prologis common stock, which indicated low to high net asset value per share targets for DCT common stock and Prologis common stock of approximately \$49.41 to \$63.66 per share and \$53.43 to \$71.43 per share, respectively, as compared to the closing prices of DCT common stock and Prologis common stock on April 27, 2018 of \$58.75 per share and \$66.58 per share, respectively;

the relationship between movements in DCT common stock and Prologis common stock during the four-year period ended April 27, 2018, including the daily ratio of the closing price of DCT common stock to the closing price of Prologis common stock during such period, and the average of this ratio calculated over various periods ended April 27, 2018;

the potential pro forma financial effect of the company merger on Prologis' estimated FFO and adjusted FFO for calendar year 2019, in each case after giving effect to potential strategic and operational benefits anticipated to result from the mergers; and

the relative contributions of DCT and Prologis to the Combined Company's estimated net asset value and to the Combined Company's estimated adjusted EBITDA, FFO and adjusted FFO for calendar year 2018 and 2019, which indicated that each of such relative contributions of DCT to the Combined Company would be less than the equity ownership percentage for holders of DCT common stock in the Combined Company of approximately 15.2% implied by the merger consideration.

#### ***Miscellaneous***

As noted above, the discussion set forth above in the section entitled " Summary of Material Financial Analyses" is a summary of the material financial analyses presented by BofA Merrill Lynch to the DCT Board in connection with its opinion and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch in connection with its opinion. The

Table of Contents

preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that its analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of DCT and Prologis. The estimates of the future performance of DCT and Prologis in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, to the holders of DCT common stock of the exchange ratio to such holders and were provided to the DCT Board in connection with the delivery of BofA Merrill Lynch's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual values of DCT or Prologis.

The type and amount of consideration payable in the company merger was determined through negotiations between DCT and Prologis, rather than by any financial advisor, and was approved by the DCT Board. The decision to enter into the Agreement was solely that of the DCT Board. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by the DCT Board in its evaluation of the proposed company merger and should not be viewed as determinative of the views of the DCT Board or management with respect to the company merger or the merger consideration.

DCT has agreed to pay BofA Merrill Lynch for its services in connection with the company merger an aggregate fee currently estimated to be approximately \$25,000,000 (but which fee shall be finally calculated based on the average of the closing prices for Prologis common stock for the five trading days immediately prior to the closing of the company merger), \$2 million of which was payable upon delivery of its opinion and the remainder of which is contingent upon consummation of the company merger. DCT also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of their businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of DCT, Prologis and certain of their respective affiliates.

Table of Contents

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide investment banking, commercial banking and other financial services to DCT and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as administrative agent, joint lead arranger and joint bookrunner for, and as a lender (including a swing line lender and a letter of credit issuer) under, a credit and term loan agreement with DCT Industrial Operating Partnership LP. From April 1, 2016 through March 31, 2018, BofA Merrill Lynch and its affiliates derived aggregate revenues from DCT and its affiliates of approximately \$1 million for investment and corporate banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide investment banking, commercial banking and other financial services to Prologis and have received or in the future may receive compensation for the rendering of these services, including (i) acted or acting as administrative agent, joint lead arranger and joint bookrunner for, and as a lender (including a swing line lender and a letter of credit issuer) under, multiple credit facilities for Prologis and certain of its affiliates, (ii) having acted or acting as joint lead arranger and/or joint bookrunner on various debt and equity offerings for Prologis and certain of its affiliates, and (iii) having provided or providing certain foreign exchange trading services and treasury and trade management services and products to Prologis and certain of its affiliates. From April 1, 2016 through March 31, 2018, BofA Merrill Lynch and its affiliates derived aggregate revenues from Prologis and its affiliates of approximately \$25 million in the aggregate for investment and corporate banking services.

**Certain Prologis Unaudited Prospective Financial Information**

Although Prologis periodically may issue limited financial guidance to investors, Prologis does not as a matter of course make public long-term projections as to future revenues, earnings, EBITDA, funds from operations, funds from operations, as adjusted, or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with the mergers and the other transactions contemplated by the merger agreement, Prologis' management prepared and provided to the DCT Board in connection with its evaluation of the mergers and the other transactions contemplated by the merger agreement, and to DCT's financial advisor, BofA Merrill Lynch, including in connection with BofA Merrill Lynch's financial analyses described above under the section entitled "Opinion of DCT's Financial Advisor," certain unaudited prospective financial information regarding Prologis' operations for fiscal years 2018 through 2022 (the "Prologis management forecasts"). The below summary of the Prologis management forecasts is included for the purpose of providing DCT stockholders access to certain nonpublic information that was furnished to certain parties in connection with the mergers and such information may not be appropriate for other purposes, and is not included to influence the voting decision of any DCT stockholder.

The Prologis management forecasts were not prepared with a view toward public disclosure, the published guidelines of the SEC regarding projections and forward-looking statements or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial projections. The inclusion of the Prologis management forecasts should not be regarded as an indication that such information is predictive of actual future events or results and such information should not be relied upon as such, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the Prologis management forecasts. The Prologis management forecasts included in this proxy statement/prospectus have been prepared by, and are the responsibility of, Prologis' management.

While presented with numeric specificity, the unaudited prospective financial information set forth below was based on numerous variables and assumptions (including assumptions related to industry performance and general business, economic, market and financial conditions and additional matters specific to Prologis' business) that are inherently subjective and uncertain and are beyond the control of

Table of Contents

Prologis' management. Important factors that may affect actual results and cause this unaudited prospective financial information not to be achieved include, but are not limited to, risks and uncertainties relating to Prologis' business (including its ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, general business and economic conditions and other factors described in the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors." This unaudited prospective financial information also reflects numerous variables, expectations and assumptions available at the time they were prepared as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in this unaudited prospective financial information. Accordingly, there can be no assurance that the projected results summarized below will be realized. DCT stockholders are urged to review the most recent SEC filings of Prologis for a description of the reported and anticipated results of operations and financial condition and capital resources, including in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Prologis' Annual Report on Form 10-K for the year ended December 31, 2017 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which are incorporated by reference into this proxy statement/prospectus.

None of DCT, Prologis or their respective officers, trustees, directors, affiliates, advisors or other representatives can give you any assurance that actual results will not differ materially from this unaudited prospective financial information.

PROLOGIS UNDERTAKES NO OBLIGATION TO UPDATE OR OTHERWISE REVISE OR RECONCILE THE BELOW UNAUDITED PROSPECTIVE FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE THIS UNAUDITED PROSPECTIVE FINANCIAL INFORMATION WAS GENERATED OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH INFORMATION ARE SHOWN TO BE IN ERROR. SINCE THE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION COVERS MULTIPLE YEARS, SUCH INFORMATION BY ITS NATURE BECOMES LESS PREDICTIVE WITH EACH SUCCESSIVE YEAR.

DCT and Prologis may calculate certain non-GAAP financial metrics, including cash net operating income, Adjusted EBITDA, FFO and AFFO using different methodologies. Consequently, the financial metrics presented in each company's prospective financial information disclosures and in the sections of this proxy statement/prospectus with respect to the opinion of DCT's financial advisor to DCT may not be directly comparable to one another. Further, these financial metrics are "non-GAAP financial measures" as set forth in Item 10(e) of Regulation S-K and should not be considered as alternatives to net income (determined in accordance with GAAP) or as an indication of Prologis' performance. None of these non-GAAP measures represents cash generated from operating activities determined in accordance with GAAP, and none are a measure of liquidity or an indicator of Prologis' ability to make cash distributions.

Prologis has not made and makes no representation to DCT or any DCT stockholder, in the merger agreement or otherwise, concerning the below unaudited prospective financial information or regarding Prologis' ultimate performance compared to the unaudited prospective financial information or that the projected results will be achieved. In light of the foregoing factors and the uncertainties inherent in the unaudited prospective financial information, Prologis urges all DCT stockholders not to place undue reliance on such information and to review Prologis' most recent SEC filings for a description of Prologis' reported financial results.

Neither KPMG LLP nor any other registered public accounting firm has compiled, examined or performed any audit or other procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The report of KPMG LLP contained in Prologis' Form 10-K for

Table of Contents

the year ended December 31, 2017, which is incorporated by reference into this prospectus/proxy statement, relates to the historical financial information of Prologis. It does not extend to the unaudited prospective financial information and should not be read to do so. Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the dates on which it was prepared.

The Prologis management forecasts were based on numerous variables and assumptions, including the following: Prologis share of net effective same-store net operating income growth rate of 3%-5% per year, general and administrative average expense growth of 2.5% per year for the projected period, Prologis share of building acquisitions of approximately \$450 million - \$700 million per year, approximately \$2.0 - \$2.2 billion of Prologis share of development starts per year, approximately \$1.5 - \$1.9 billion of Prologis share of assumed dispositions and contributions combined beginning in calendar year 2019, and no equity issuances in the pro forma period, except for the shares issued in conjunction with the merger.

The Prologis management forecasts were provided to the DCT Board and DCT's financial advisor, BofA Merrill Lynch. In addition, Prologis management provided to the DCT Board and BofA Merrill Lynch an estimate of cash net operating income for April 2018 through December 2018 of \$1.5 billion. The following table presents a summary of the Prologis management forecasts for the calendar years 2018 through 2022 for Prologis on a standalone basis.

	Year Ending December 31,				
	2018E	2019E	2020E	2021E	2022E
	(\$ in millions)				
<b>Adjusted EBITDA(1)</b>	\$ 2,114	\$ 2,227	\$ 2,449	\$ 2,575	\$ 2,735
<b>Core FFO(2)</b>	\$ 1,666	\$ 1,771	\$ 1,928	\$ 2,023	\$ 2,175
<b>AFFO(3)</b>	\$ 1,412	\$ 1,523	\$ 1,654	\$ 1,736	\$ 1,867

- (1) Adjusted EBITDA as used by Prologis is a non-GAAP measure and is calculated beginning with consolidated net earnings attributable to common stockholders and removing the effect of: interest expense, income taxes, depreciation and amortization, impairment charges, gains or losses from the disposition of investments in real estate (excluding development properties and land), gains from the revaluation of equity investments upon acquisition of a controlling interest, gains or losses on early extinguishment of debt and derivative contracts (including cash charges), similar adjustments made to Prologis' FFO measures, and other items, such as, stock based compensation and unrealized gains or losses on foreign currency and derivatives.
- (2) For a definition of Core FFO, see "Selected Historical Financial Information of Prologis Funds From Operations Attributable to Common Stockholders/Unitholders."
- (3) AFFO excludes realized gains from the disposition of land and development properties and is derived by adjusting Core FFO to exclude recurring capital expenditures and exclude the following items that Prologis recognizes directly in Core FFO: (i) straight-line rents; (ii) amortization of above- and below-market lease intangibles; (iii) amortization of management contracts; (iv) amortization of debt premiums and discounts and financing costs, net of amounts capitalized; and (v) stock compensation expense.

Additionally, after discussion with Prologis and its financial advisor, BofA Merrill Lynch prepared, at the direction of DCT, Prologis' estimated unlevered free cash flow from the Prologis management forecasts in order to facilitate certain of the financial analyses described in "Opinion of DCT's Financial Advisor." While Prologis' estimated unlevered free cash flow was not included in the five-year financial forecast provided by Prologis to DCT and BofA Merrill Lynch, nevertheless, Prologis'

Table of Contents

estimated unlevered free cash flow is being presented in the table below in order to provide a more complete understanding of the data utilized by BofA Merrill Lynch in conducting its financial analyses.

	Year Ending December 31,				
	Q2 - Q4 2018E	2019E	2020E	2021E	2022E
(\$ in millions)					
<b>Unlevered free cash flow(1)</b>	\$ 1,303	\$ 1,199	\$ 1,193	\$ 810	\$ 1,357

- (1) Unlevered free cash flow was determined by making adjustments (including various non-cash items and capital expenditures) to Adjusted EBITDA.

**Certain DCT Unaudited Prospective Financial Information**

Although DCT periodically may issue limited financial guidance to investors, DCT does not as a matter of course make public long-term projections as to future revenues, earnings, EBITDA, funds from operations, funds from operations, as adjusted, or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with the mergers and the other transactions contemplated by the merger agreement, DCT's management prepared and provided to the DCT Board in connection with its evaluation of the mergers and the other transactions contemplated by the merger agreement, and to its financial advisor, BofA Merrill Lynch, including in connection with BofA Merrill Lynch's financial analyses described above under the section entitled "Opinion of DCT's Financial Advisor," certain unaudited prospective financial information regarding DCT's operations for fiscal years 2018 through 2022 (the "DCT management forecasts"). The below summary of the DCT management forecasts is included for the purpose of providing DCT stockholders access to certain nonpublic information that was furnished to certain parties in connection with the mergers and such information may not be appropriate for other purposes, and is not included to influence the voting decision of any DCT stockholder.

The DCT management forecasts were not prepared with a view toward public disclosure, the published guidelines of the SEC regarding projections and forward-looking statements or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial projections. The inclusion of the DCT management forecasts should not be regarded as an indication that such information is predictive of actual future events or results and such information should not be relied upon as such, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the DCT management forecasts. The DCT management forecasts included in this proxy statement/prospectus have been prepared by, and are the responsibility of, DCT's management.

While presented with numeric specificity, the unaudited prospective financial information set forth below was based on numerous variables and assumptions (including assumptions related to industry performance and general business, economic, market and financial conditions and additional matters specific to DCT's business) that are inherently subjective and uncertain and are beyond the control of DCT's management. Important factors that may affect actual results and cause this unaudited prospective financial information not to be achieved include, but are not limited to, risks and uncertainties relating to DCT's business (including its ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, general business and economic conditions and other factors described in the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors." This unaudited prospective financial information also reflects numerous variables, expectations and assumptions available at the time they were prepared as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in this unaudited prospective financial information. Accordingly, there can be no assurance that the projected results summarized below will be realized. DCT stockholders are urged to review the most recent SEC filings of DCT for a description of the reported and anticipated results of

Table of Contents

operations and financial condition and capital resources, including in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in DCT's Annual Report on Form 10-K for the year ended December 31, 2017 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which are incorporated by reference into this proxy statement/prospectus.

None of DCT, Prologis or their respective officers, trustees, directors, affiliates, advisors or other representatives can give you any assurance that actual results will not differ materially from this unaudited prospective financial information.

DCT UNDERTAKES NO OBLIGATION TO UPDATE OR OTHERWISE REVISE OR RECONCILE THE BELOW UNAUDITED PROSPECTIVE FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE THIS UNAUDITED PROSPECTIVE FINANCIAL INFORMATION WAS GENERATED OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH INFORMATION ARE SHOWN TO BE IN ERROR. SINCE THE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION COVERS MULTIPLE YEARS, SUCH INFORMATION BY ITS NATURE BECOMES LESS PREDICTIVE WITH EACH SUCCESSIVE YEAR.

DCT and Prologis may calculate certain non-GAAP financial metrics, including cash net operating income, Adjusted EBITDA, FFO and AFFO using different methodologies. Consequently, the financial metrics presented in each company's prospective financial information disclosures and in the sections of this proxy statement/prospectus with respect to the opinion of DCT's financial advisor to DCT may not be directly comparable to one another. Further, these financial metrics are "non-GAAP financial measures" as set forth in Item 10(e) of Regulation S-K and should not be considered as alternatives to net income (determined in accordance with GAAP) or as an indication of DCT's performance. None of these non-GAAP measures represents cash generated from operating activities determined in accordance with GAAP, and none are a measure of liquidity or an indicator of DCT's ability to make cash distributions.

DCT has not made and makes no representation to Prologis or any DCT stockholder, in the merger agreement or otherwise, concerning the below unaudited prospective financial information or regarding DCT's ultimate performance compared to the unaudited prospective financial information or that the projected results will be achieved. In light of the foregoing factors and the uncertainties inherent in the unaudited prospective financial information, DCT urges all DCT stockholders not to place undue reliance on such information and to review DCT's most recent SEC filings for a description of DCT's reported financial results.

Neither Ernst & Young LLP nor any other independent registered public accounting firm has compiled, examined or performed any audit or other procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The report of Ernst & Young LLP contained in DCT's Form 10-K for the year ended December 31, 2017, which is incorporated by reference into this prospectus/proxy statement, relates to the historical financial information of DCT. It does not extend to the unaudited prospective financial information and should not be read to do so. Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the dates on which it was prepared.

The DCT management forecasts were based on numerous variables and assumptions, including the following: same-store net operating income growth rate of 2%-5% per year, general and administrative expense growth of approximately 4% per year for the projected period, acquisitions of approximately \$32 million per year, value-add acquisitions of approximately \$75 million in calendar year 2018, with no value-add acquisitions after calendar year 2018, generic dispositions of \$150 million per year, approximately \$225 million of developments per year beginning in calendar year 2019, total of \$900 million of projected bond issuances at 4.5%, and no equity issuances beyond calendar year 2018.



## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

### Table of Contents

The DCT management forecasts were provided to the DCT Board and DCT's financial advisor, BofA Merrill Lynch. In addition, DCT management provided to the DCT Board and BofA Merrill Lynch an estimate of cash net operating income for April 2018 through December 2018 of \$233 million. The following table presents a summary of the DCT management forecasts for the calendar years 2018 through 2022 for DCT on a standalone basis.

	Year Ending December 31,				
	2018E	2019E	2020E	2021E	2022E
	(\$ in millions)				
<b>Adjusted EBITDA(1)</b>	\$ 317	\$ 337	\$ 366	\$ 387	\$ 413
<b>FFO(2)</b>	\$ 252	\$ 267	\$ 288	\$ 308	\$ 328
<b>AFFO(3)</b>	\$ 198	\$ 211	\$ 233	\$ 251	\$ 271

- (1) Adjusted EBITDA as used by DCT is a non-GAAP measure and represents net income (loss) attributable to common stockholders before interest, taxes, depreciation, amortization, stock-based compensation expense, noncontrolling interests, impairment losses, and proportionate share of interest, depreciation and amortization from unconsolidated joint ventures, and excludes non-FFO gains and losses on disposed assets and business combinations.
- (2) For a definition of FFO, or Funds from Operations, see "Selected Historical Financial Information of DCT Funds from Operations of DCT."
- (3) For a definition of AFFO, or FFO, as adjusted, see "Selected Historical Financial Information of DCT Funds from Operations of DCT."

Additionally, BofA Merrill Lynch prepared, at the direction of, and approved by, DCT, DCT's estimated unlevered free cash flow from the DCT management forecasts in order to facilitate certain of the financial analyses described in "Opinion of DCT's Financial Advisor." While DCT's estimated unlevered free cash flow was not included in the five-year financial forecast provided by DCT to BofA Merrill Lynch and Prologis, nevertheless, DCT's estimated unlevered free cash flow is being presented in the table below in order to provide a more complete understanding of the data utilized by BofA Merrill Lynch in conducting its financial analyses.

	Q2 - Q4	Year Ending December 31,			
	2018E	2019E	2020E	2021E	2022E
	(\$ in millions)				
<b>Unlevered free cash flow(1)</b>	\$ (11)	\$ 162	\$ 158	\$ 200	\$ 261

- (1) Unlevered free cash flow was determined by making adjustments (including various non-cash items and capital expenditures) to Adjusted EBITDA.

### **Interests of DCT's Directors and Executive Officers in the Mergers**

The interests of DCT's directors and executive officers in the mergers that are different from, or in addition to, those of DCT's stockholders generally are described below. The DCT Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the mergers, and in recommending that the merger agreement be adopted by the DCT stockholders. These interests include:

accelerated vesting of all outstanding equity awards and settlement of all outstanding DCT phantom shares;

payment of pro rata annual cash bonuses for 2018;



Table of Contents

entitlement to severance benefits under a preexisting employment agreement with DCT's Chief Executive Officer and DCT's Executive Change in Control and Severance Plan covering DCT's other executive officers; and

entitlement to continued indemnification, expense advancement and insurance coverage under indemnification agreements and the merger agreement.

***Treatment of DCT Equity Awards***

***Long-Term Incentive Plan Units.*** Immediately prior to the partnership merger effective time, each issued and outstanding (i) unvested DCT LTIP unit shall automatically become fully vested in accordance with the terms of the DCT equity incentive plan and award agreement or other agreement or document evidencing such DCT LTIP units, and (ii) vested DCT LTIP unit eligible for conversion into a DCT OP common unit prior to or at the partnership merger effective time shall automatically be converted into a DCT OP common unit pursuant to the limited partnership agreement of DCT OP. At the partnership merger effective time, each issued and outstanding DCT LTIP unit not previously converted into a DCT OP common unit, if any, shall be automatically converted into 1.02 Prologis LTIP units.

The table below sets forth the number of unvested DCT LTIP units held by DCT's executive officers as of June 29, 2018. None of DCT's non-employee directors hold any unvested DCT LTIP units.

<b>Executive Officers</b>	<b>Unvested LTIP Units</b>
Philip L. Hawkins	131,374
Teresa L. Corral	17,696
Neil P. Doyle	31,265
Matthew T. Murphy	43,517
John V. Pharris	27,756
Charla Rios	7,204
Michael J. Ruen	30,329
John G. Spiegleman	27,916

***Restricted Stock.*** Immediately prior to the company merger effective time, each issued and outstanding unvested share of DCT common stock subject to a DCT restricted stock award granted under the DCT equity incentive plan shall automatically become fully vested, contingent upon the closing of the company merger, and shall automatically be converted into the right to receive the merger consideration in the same manner as all other shares of DCT common stock will be entitled to receive the merger consideration in the same manner as all other shares of DCT common stock. None of DCT's executive officers or non-employee directors hold any unvested shares of DCT common stock subject to a DCT restricted stock award.

***Stock Options.*** At the company merger effective time, each outstanding and unexercised option to purchase DCT common stock granted under the DCT equity incentive plan will vest in full and will terminate and will be converted into the right of the holder thereof to receive a number of shares of Prologis common stock, rounded down to the nearest whole number of shares, equal to (a) the Exchange Ratio multiplied by (b) the number of shares of DCT common stock obtained by (i) multiplying (A) the number of shares of DCT common stock that were subject to such option immediately prior to the company merger effective time by (B) the excess, if any, of the fair market value of a share of DCT common stock determined immediately prior to the company merger effective time over the per share exercise price of such option, and (ii) dividing the resulting amount determined under (i) by the fair market value of a share of DCT common stock determined immediately prior to

Table of Contents

the company merger effective time. As of June 29, 2018, none of DCT's executive officers or non-employee directors held any DCT stock options, other than Marilyn A. Alexander, who held DCT stock options to purchase an aggregate of 1,154 shares of DCT common stock at a weighted average exercise price of \$19.40 per share and Matthew T. Murphy, who held DCT stock options to purchase an aggregate of 15,943 shares of DCT common stock at a weighted average exercise price of \$16.90 per share. All of Ms. Alexander's and Mr. Murphy's DCT stock options already are fully vested.

*Phantom Shares.* At the company merger effective time, each outstanding DCT phantom share granted under the DCT equity incentive plan will vest in full and the holder thereof will receive a number of shares of Prologis common stock per DCT phantom share equal to the number of shares of Prologis common stock that each DCT stockholder is entitled to receive per share of DCT common stock as the merger consideration. The table below sets forth the number of unvested and vested DCT phantom shares held by DCT's non-employee directors as of June 29, 2018. None of DCT's executive officers hold any DCT phantom shares.

Non-Employee Directors	Phantom Shares	
	Unvested	Vested
Marilyn A. Alexander	1,221	13,779
Thomas F. August	1,679	20,280
John S. Gates, Jr.	1,221	
Raymond B. Greer	1,221	15,845
Tripp H. Hardin	1,221	19,797
Tobias Hartmann	1,221	
John C. O'Keeffe	1,221	
Marcus L. Smith	2,602	

For more information on the equity holdings of DCT's directors and executive officers, see the table entitled "The Mergers Security Ownership of DCT's Directors and Executive Officers and Current Beneficial Owners" beginning on page 88.

***Pro-Rata Annual Cash Bonuses***

The compensation committee of the DCT Board has authorized DCT to pay a pro-rata annual cash bonus to each of its executive officers for 2018 through the date of the company merger, subject to the executive officer's continued employment through the company merger effective time. The pro-rata annual cash bonus for each of DCT's executive officers will be based on the executive officer's average annual cash bonus for the prior two years, pro-rated for the portion of 2018 elapsed through the company merger effective time, and will be payable on or after the approval of the company merger by DCT's stockholders. In order to avoid duplication of payment, the payment of each DCT executive officer's pro-rata annual cash bonus for this pre-merger period was conditioned upon the executive officer having waived the right to receive any other pro-rata bonus for this period pursuant to DCT's existing agreements in the event of the termination of the executive officer's employment.

## Edgar Filing: DCT Industrial Trust Inc. - Form DEFM14A

### Table of Contents

The table below sets forth the average annual cash bonus for each DCT executive officer for the prior two years and the pro-rata annual cash bonus that would be paid to each DCT executive officer assuming that the mergers close on August 31, 2018.

Executive Officers	Average Annual Cash Bonus (2016 and 2017) (\$)	Pro-Rata Portion of 2018	Pro-Rata Annual Cash Bonus for 2018 (\$)
Philip L. Hawkins	1,100,500	66.58%	732,662
Teresa L. Corral	244,500	66.58%	162,777
Neil P. Doyle	394,000	66.58%	262,307
Matthew T. Murphy	487,500	66.58%	324,555
John V. Pharris	411,500	66.58%	273,958
Charla Rios	139,500	66.58%	92,873
Michael J. Ruen	308,000	66.58%	205,052
John G. Spiegelman	360,500	66.58%	240,004

The amount of the pro-rata annual cash bonuses payable to each DCT executive officer for the period of 2018 prior to the company merger effective time may be more or less than the amount of the annual cash bonus that the executive officer otherwise would have earned for such period in the absence of the company merger.

### ***DCT Executive Officer Post-Termination and Change in Control Arrangements***

DCT has previously adopted certain agreements and plans relating to compensation of its executive officers upon certain qualifying terminations of employment or a change in control. Mr. Hawkins is party to an employment agreement, dated October 9, 2015, as amended, and DCT's executive officers (other than Mr. Hawkins) are covered by the DCT Industrial Trust Inc. Executive Change in Control and Severance Plan, adopted on October 9, 2015.

The employment agreement with Mr. Hawkins and the DCT Executive Change in Control and Severance Plan provide for the following payments and benefits in connection with a change in control, including termination of employment following or in connection with a change in control, in each case, subject to the applicable executive officer's compliance with certain restrictive covenants:

*Change in Control.* Upon a change in control while the executive officer is employed by DCT, all of the executive officer's outstanding unvested equity awards subject to time-based vesting conditions will fully vest.

*Termination without Cause or for Good Reason Following a Change in Control.* If an executive officer's employment is terminated by DCT or its successor entity without "cause" or by the executive officer for "good reason" (as such terms are defined in the employment agreement and the DCT Executive Change in Control and Severance Plan, as applicable) within 12 months (or 18 months for Mr. Hawkins) after a change in control, the executive officer will receive (1) annual base salary, cash bonus and other benefits earned and accrued prior to the termination of employment, (2) a lump sum cash payment equal to the sum of (i) two times (or three times for Mr. Hawkins) annual base salary, plus (ii) two times (or three times for Mr. Hawkins) the greater of the target annual cash bonus for the year of termination or the average of actual annual cash bonuses for the two years preceding the year of termination and (3) a pro-rata cash bonus for the year in which the executive officer's employment is terminated based on the target annual cash bonus for that year. Each executive officer will also continue to receive coverage under DCT's group medical, dental and vision plans, at the same cost to the executive officer as would have applied in the absence of termination of employment, for two years or, if sooner, until the executive officer becomes eligible to be covered under another

Table of Contents

employer group health plan. The executive officer's receipt of any payments and benefits (other than the annual base salary, cash bonus and other benefits earned and accrued prior to the termination of employment) in connection with a termination without cause or for good reason is subject to such executive officer's execution of a general release of claims with DCT or any successor entity. In order to avoid duplication of payment, each of DCT's executive officers has agreed that the amount of any pro-rata cash bonus otherwise payable pursuant to the foregoing arrangements with respect to the portion of 2018 through the company merger effective time will be reduced, but not below zero, by the amount of any pro-rata annual cash bonus previously paid by DCT for this period.

If any payments and benefits to be paid or provided to an executive officer, whether pursuant to the terms of the employment agreement with Mr. Hawkins, the DCT Executive Change in Control and Severance Plan or otherwise, would be subject to "golden parachute" excise taxes under the Code, the executive officer's payments and benefits will be reduced to the extent necessary to avoid such excise taxes, but only if such a reduction of pay or benefits would result in a greater after-tax benefit to the executive officer.

The mergers will constitute a change in control under each of the employment agreement with Mr. Hawkins and the DCT Executive Change in Control and Severance Plan. Additionally, following the mergers, to the extent the employment of DCT's executive officers is not terminated, "good reason" for termination will exist for Mr. Hawkins and may also exist for DCT's other executive officers.

For an estimate of the value of the payments and benefits described above that would become payable to DCT's NEOs in connection with the mergers or in the event of a qualifying termination of employment without cause or for good reason in connection with the mergers, see "*Information for Advisory Vote*" and the assumptions set forth under that subheading, below.

***Information for Advisory Vote***

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation that is based on or otherwise relates to the mergers and that is payable or may become payable to DCT's NEOs, who are Messrs. Hawkins, Murphy, Doyle, Pharris and Spiegelman. This compensation is referred to as "golden parachute compensation" by the applicable SEC disclosure rules.

Please note that the amounts indicated below are estimates based on the material assumptions described in this proxy statement/prospectus and the notes to the table below, which may or may not actually occur, and do not reflect compensation actions that could occur after the date of this proxy statement/prospectus and before the closing of the mergers. As a result, the actual amounts, if any, which may become payable to an NEO may differ in material respects from the amounts set forth below. Furthermore, for purposes of calculating such amounts and in accordance with the requirements of the applicable SEC disclosure rules, DCT has assumed:

An assumed closing date for the mergers of August 31, 2018;

A qualifying termination of the NEO's employment (e.g., a termination by DCT without cause or by the NEO for good reason in accordance with the terms of the employment agreement with Mr. Hawkins or the DCT Executive Change in Control and Severance Plan, as applicable, immediately following the company merger effective time; and

A price per share of DCT common stock of \$65.80, which equals the average closing price of DCT common stock over the first five business days following April 29, 2018, which was the date of the first public announcement of the signing of the merger agreement.

Table of Contents

**Golden Parachute Compensation**

**Executive Officers**      **Cash (\$)(1)**