

Qualified Notice

Partnership: Regional REIT Limited
Unit Class: Ordinary Share

ISIN: G00BSY2LD72
Date: 30 September 2024

Transfers: 92 Day Qualified Notice

As of the date of this Notice (the “PTP Designated Date”), the “10-Percent Exception” under Treasury Regulations Section 1.1446(f)-4(b)(3)(ii) applies to the transfer of Ordinary Shares of Regional REIT Limited (the “Company”). Accordingly, withholding under Treasury Regulations Section 1.1446(f)-4 is not required on the transfer of Ordinary Shares during the applicable period. Please note that the Company qualifies for the “10-Percent Exception” because it has not been (and does not expect to be) engaged in a US trade or business within the meaning of Treasury Regulations Section 1.1446(f)-4(b)(3)(ii)(A)(2). Furthermore, the Company intends to issue qualified notices in accordance with Treasury Regulation Section 1.1446(f)-4(b)(3)(iii) as applicable.

This statement is a “92 Day Qualified Notice” under Treasury Regulations Section 1.1446(f)-4 relevant to transfers or other dispositions in Ordinary Shares in Regional REIT Limited.

Distribution

Record Date: 10 September 2024

Payable Date: 18 October 2024

For US federal income tax purposes, the Distribution is composed of the following categories of income:

<u>Category of Income</u>	<u>Percentage of Distribution</u>
US-Source FDAP Subject to Withholding ¹	0%
US-Source FDAP <u>Not</u> Subject to Withholding ²	0%
Effectively Connected Income Subject to Withholding ³	0%
Effectively Connected Income <u>Not</u> Subject to Withholding ⁴	0%
Other Income <u>Not</u> Subject to Withholding ⁵	100%

This statement is intended to be a qualified notice under Treasury Regulations Section 1.1446-4 relevant to distributions by Regional REIT Limited in respect of its Ordinary Shares.

Please refer below to certain material U.S. federal income tax matters related to the information in this Notice.

Certain Material US Federal Tax Considerations Related to the US Tax Notices

¹ Treasury Regulation Section 1.1446-4(f)(i).

² Treasury Regulation Section 1.1446-4(f)(ii).

³ Treasury Regulation Section 1.1446-4(f)(iii).

⁴ Treasury Regulation Section 1.1446-4(f)(iv).

⁵ Treasury Regulation Section 1.1446-4(f)(v).

The statements below are intended to be a general summary of certain US federal tax considerations relevant to investors in the Ordinary Shares. This is not a comprehensive summary of all technical aspects of the taxation of the Group and investors and is not intended to constitute legal or tax advice to investors. In particular, the description below does not address certain US investors subject to special treatment under US federal income tax laws, such as regulated investment companies, personal holding companies, brokers or dealers in securities, banks and certain other financial institutions, tax-exempt organisations, trusts and insurance companies. Nor does it address any state, local, estate, non-US or other tax consequences of an investment in the Company, the interaction of US federal tax laws and any income or estate tax treaties between the US and any other jurisdiction. This summary is based on the assumptions that: (i) each investor (and each of its beneficial owners, as necessary under US federal income tax withholding and backup withholding rules) will provide all appropriate certifications to the Company in a timely fashion to minimise withholding (or backup withholding) on each investor's share of the Company's gross income; and (ii) the investors will hold their interests as capital assets for US federal income tax purposes. The statements below are based on current US tax law and what is understood to be the current practice (which may not be binding) of the IRS as at the date of this document, both of which are subject to change, possibly with retroactive effect. Investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor of investing in Ordinary Shares in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject. Each prospective investor is advised to consult its own tax counsel as to the US federal income tax consequences of an investment in the Company and as to applicable state, local, estate, non-US or other tax laws.

For a general summary of material US federal tax considerations, Investors should refer to Part 16 (US FEDERAL TAXATION) of the Company's prospectus issued in connection with its initial placement in 2015 available at [2015 Prospectus](#) ("Prospectus"). Defined terms used in this summary of certain material US federal tax considerations but not defined herein shall have the meaning ascribed to such terms in the Prospectus.

For purposes of this summary, a "US Person" generally is any US citizen or resident individual, any corporation, limited liability company or partnership organised under US law, any estate (other than an estate the income of which, from sources outside the US that is not effectively connected with a trade or business within the US, is not includible in its gross income for US federal income tax purposes), and any trust if a court within the US is able to exercise primary supervision over the administration of the trust and one or more US Persons have the authority to control all substantial decisions of the trust. A "Non-US Person" generally is any other individual, corporation, limited liability company, partnership or other entity not described in the previous sentence.

Transparent Treatment of the REIT Group for US Income Tax Purposes

The Company is classified as a “publicly traded partnership” (“PTP”) under Section 7704 of the Internal Revenue Code of 1986, as amended (the “Code”), for US federal income tax purposes. Please refer to the summary of the US federal tax matters in the Prospectus for a description of the PTP rules and the Company’s classification as a PTP. The remainder of this summary assumes the Company is classified as a PTP for US federal tax purposes.

Certain US Tax Withholding and Reporting Rules Applicable to Non-US Persons

Under Section 1446(a) of the Code and Section 1446(f) of the Code, a broker that receives a distribution from a PTP (or another nominee) or transfers interests in a PTP is generally required to withhold US federal income tax to the extent the distribution is comprised of certain US-source dividends, interest, rents, royalties or other similar income items or, with respect to a transfer, the PTP is treated as engaged in a US trade or business for US federal income tax purposes. The rules described below under Sections 1446(a) and 1446(f) apply to any entity classified as a partnership for US federal income tax purposes, whether or not such entity was organized in a jurisdiction outside of the United States and whether or not such entity has a United States office or other presence.

Under Section 1446(a) of the Code, if the Company has any US-source dividends, interest, rents, royalties and other fixed and determinable, annual or periodic income, then the portion of any distribution by the Company in respect of Ordinary Shares generally would be subject to withholding tax by the Company to the extent paid to a Non-US Person holding Ordinary Shares at the highest rate applicable to an individual or corporation, depending on whether the recipient of such distribution is an individual or other non-corporate taxpayer or a corporation. In the case of Ordinary Shares held by a broker or other nominee, the obligation to withhold is generally imposed on the broker, which is required to withhold tax against the full amount of any distribution unless the broker receives a Qualified Notice in accordance with Treasury Regulations Section 1.1446-4 stating the categories of income from which the distribution is deemed to be paid from. A broker that receives such qualified notice must withhold or reduce the withholding based on the amounts specified in the Qualified Notice as subject to US tax withholding under Section 1446(a).

1. The Company’s business consists entirely of acquiring and investing in non-US real estate and the Company does not intend to earn any US-source dividends, interest, rents, royalties or other fixed and determinable, annual or periodic income and thus does not believe any portion of the Company’s distributions will be deemed to be paid from income from US sources. As a result, the Company does not anticipate that distributions will consist of amounts deemed to be from US sources subject to withholding under Section 1446(a). However, the Company cannot provide assurance that it will not earn nominal financing income (i.e., interest earned on deposits with US banks) from time to time that would cause a portion of the distributions to be subject to US withholding taxes or that any Qualified Notices issued by the Company will be accepted by a broker or other nominee to avoid withholding by such broker or other nominee.

Under Section 1446(f) of the Code, if the Company has any “effectively connected income,” then the purchaser or transferee of Ordinary Shares generally would be required to withhold a 10% tax on the “amount realized” by the Non-US Person on the sale or exchange of Ordinary Shares, unless the transferor certifies that it is not a Non-US person. Such withholding is currently required on open market transactions, however, in the case of a transfer made through a broker, the obligation to withhold is generally imposed on the transferor’s broker. The Company intends to periodically post “92 Day Qualified Notices” in accordance with Treasury Regulations Section 1.1446(f)-4(b)(3)(iii) certifying that the Company is not engaged in a US trade or business during the applicable period. Accordingly, brokers may be able (but are not required) to rely on such notice to not withhold under Section 1446(f) of the Code on a transfer of Ordinary Shares by a Non-US Person during the 92-day period ending on the date of such transfer to the extent a Qualified Notice was posted during that period. However, the Company cannot provide assurance that any Qualified Notices issued by the Company will be accepted by a broker or other nominee to avoid withholding by such broker or other nominee.

No US Trade or Business Activities

The Company’s business activities and real estate investments are solely outside of the United States. The Company does not intend to make investments within the United States or otherwise conduct its affairs in such a manner that could give rise to income that is effectively connected with a United States trade or business. As a result, the Company does not expect Non-US Persons holding Ordinary Shares in the Company to be subject US federal income tax on a net income basis with respect to the income of the Company.

Tax Reporting by US Persons

Each US Person holding Ordinary Shares will be required to report on that person’s own US federal tax or information returns that person’s distributive share (whether or not distributed) of the Company’s income, gains, losses, deductions and credits of the character specified in Section 702 of the Code. It is possible that US investors could incur US federal income tax liabilities without receiving from the Company sufficient distributions to defray such tax liabilities. The Company’s taxable year will be the calendar year, or such other period as required by the Code. ***The Company will not provide or deliver Form Schedule K-1s or other tax information to US Persons holding Ordinary Shares. US Persons are urged to consult their own tax advisors regarding the tax consequences of holding Ordinary Shares and US tax reporting obligations with respect to the Ordinary Shares and the Company’s PTP status.***