



(a real estate investment trust constituted on 7 September 2018 under the laws of the Republic of Singapore)

Managed by KBS US Prime Property Management Pte. Ltd.

## ESTABLISHMENT OF DISTRIBUTION REINVESTMENT PLAN

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Prime US REIT.

KBS US Prime Property Management Pte. Ltd., as manager of Prime US REIT (the “**Manager**”), is pleased to announce the establishment of a distribution reinvestment plan (“**DRP**”), pursuant to which unitholders of Prime US REIT (“**Unitholders**”) may elect to receive new units in Prime US REIT (“**Units**”) in respect of all or, at the discretion of the Manager, part only of the cash amount of any distribution to which the DRP applies. The statement containing the terms and conditions of the DRP (the “**Distribution Reinvestment Plan Statement**”) is attached in the Appendix.

The DRP may be applied from time to time to any distribution declared by Prime US REIT as the Manager may determine in its absolute discretion. Participation in the DRP is optional and Unitholders may elect to participate in respect of part or all of their unitholdings. Unless the Manager has determined that the DRP will apply to any particular distribution, the distribution concerned will be paid in cash to Unitholders in the usual manner.

In connection with the allotment and issue of new Units under the DRP, applications will be made to Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the new Units on the Main Board of the SGX-ST at the relevant time. The DRP may, at the discretion of the Manager, not be offered to Overseas Unitholders (as defined in the Distribution Reinvestment Plan Statement).

The DRP provides Unitholders with an opportunity to elect to receive distributions in the form of fully-paid new Units, instead of cash. This will enable Unitholders to increase their unitholdings in Prime US REIT without incurring brokerage fees, stamp duties (if any) and other related costs. The issue of new Units in lieu of cash distributions under the DRP will also strengthen Prime US REIT balance sheet, enhance its working capital reserves and improve the liquidity of the Units.

The Manager will make an announcement whenever it decides to apply the DRP to a particular distribution, and such announcement will contain, among others, (a) the procedures, timeline and other relevant details in relation to the application of the DRP to such distribution and (b) details on whether Prime US REIT is relying on a general mandate or specific Unitholders’ approval for the issue of new Units under the DRP.

By Order of the Board  
Barbara Cambon  
Chief Executive Officer

**KBS US Prime Property Management Pte. Ltd.**  
(Company registration no. 201825461R)  
(as manager of Prime US REIT)

21 June 2021

## **IMPORTANT NOTICE**

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Prime US REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of units in Prime US REIT (the “**Units**”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, DBS Trustee Limited (as trustee of Prime US REIT) or any of their affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (“**Unitholder**”) have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.

The past performance of Prime US REIT is not necessarily indicative of its future performance.



(a real estate investment trust constituted on 7 September 2018 under the laws of the Republic of Singapore)  
(managed by KBS US Prime Property Management Pte. Ltd.)

---

## DISTRIBUTION REINVESTMENT PLAN STATEMENT

---

### 1. DISTRIBUTION REINVESTMENT PLAN STATEMENT

This Distribution Reinvestment Plan Statement (the “**Statement**”) contains the terms and conditions (the “**Terms and Conditions**”) of the Prime US REIT (“**Prime US REIT**”) Distribution Reinvestment Plan (the “**Distribution Reinvestment Plan**”) under which persons registered in the Register of Unitholders (as defined in paragraph 4.2 below) or as the case may be, the Depository Register (as defined in paragraph 4.2 below) as holders of such units in Prime US REIT (the “**Unitholders**”) may elect to receive fully paid new units in Prime US REIT (the “**Units**”, and the new Units, the “**New Units**”) in lieu of all or part of the cash amount of any distribution (including any interim, final, special or other distribution) (“**Distribution**”) which is declared on the Units held by them (after the deduction of applicable income tax, if any).

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Statement.

### 2. SUMMARY OF MAIN FEATURES

The Distribution Reinvestment Plan provides Unitholders with the option to elect to receive New Units in lieu of all or part of the cash amount of any Distribution declared on their holding of Units (after the deduction of applicable income tax, if any).

All Unitholders are eligible to participate in the Distribution Reinvestment Plan subject to the restrictions on Overseas Unitholders (as defined below), more particularly described in paragraph 4.4 below, and except for such other Unitholders or class of Unitholders as KBS US Prime Property Management Pte. Ltd., as manager of Prime US REIT (the “**Manager**”) may in its absolute discretion decide.

Unitholders may elect to participate in respect of, as may be determined by the Manager in its absolute discretion, all or part of their holding of Units to which each Notice of Election (as defined in paragraph 4.6 below) relates for any Qualifying Distribution (as defined in paragraph 4.2 below).

Unitholders receiving more than one Notice of Election may elect to participate in respect of all or part of their holding of Units to which one Notice of Election relates and elect not to participate in respect of all or part of their holding of Units to which any other Notice of Election relates.

The Manager may, at its absolute discretion, provide Unitholders with the option of making a permanent election to receive New Units in respect of their entitlements to all future Qualifying Distributions, to which each Notice of Election relates. Unitholders should note that there is presently no permanent election feature available under the Distribution Reinvestment Plan and the Manager will make an announcement containing the relevant details should it choose to offer this feature to Unitholders in the future.

The Manager may, at its absolute discretion, determine that the Distribution Reinvestment Plan will apply to any particular Distribution. An announcement will be made by the Manager as soon as practicable following the determination by the Manager that the Distribution Reinvestment Plan is to apply to a particular Distribution, and in any event, by no later than the next Market Day (as defined in paragraph 4.2 below) immediately following the Record Date (as defined in paragraph 4.2 below) in respect of the particular Distribution. Unless the Manager has determined that the Distribution Reinvestment Plan will apply to any particular Distribution, the Distribution concerned will be paid in cash to the Unitholders in the usual manner.

The New Units which are to be allotted and issued under the Distribution Reinvestment Plan shall, upon allotment and issue, rank *pari passu* in all respects with the existing Units then in issue save only as regards to participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Unitholders participating in the Distribution Reinvestment Plan will receive, on or about each Distribution Date (as defined in paragraph 4.2 below) of a Qualifying Distribution, notification letters setting out, *inter alia*, the number of New Units allotted to them under the Distribution Reinvestment Plan.

The listing of and permission to deal in New Units issued to Unitholders under the Distribution Reinvestment Plan on the Main Board of the SGX-ST is subject to the approval of the SGX-ST.

Under Singapore laws as at the date of this Statement, there is no brokerage, stamp duty or other transaction costs payable by Participating Unitholders (as defined in paragraph 4.5 below) on New Units allotted and issued under the Distribution Reinvestment Plan.

### **3. HOW TO PARTICIPATE**

Participation in the Distribution Reinvestment Plan is optional and not transferable.

A Unitholder wishing to receive New Units in respect of any Qualifying Distribution to which a Notice of Election received by him/her relates should complete the Notice of Election and return it, no later than the date and time to be specified by the Manager in respect of the

Qualifying Distribution, to the processing agent of Prime US REIT, Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Processing Agent**”) at the following address (or such other address as may be announced by the Manager from time to time):

KBS US Prime Property Management Pte. Ltd.  
c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

A Unitholder receiving more than one Notice of Election and wishing to receive New Units in respect of all or part of his/her entitlement to the Qualifying Distribution in respect of all or part of his/her holding of Units must complete and sign all Notices of Election received by him/her and return the completed and signed Notices of Election, no later than the date and time to be specified by the Manager in respect of the Qualifying Distribution, to the Processing Agent at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 (or such other address as may be announced by the Manager from time to time).

To be effective in respect of any Qualifying Distribution to which a Notice of Election relates, such duly completed and signed Notice of Election must be received by the Processing Agent, no later than the date and time to be specified by the Manager in respect of that Qualifying Distribution. The Processing Agent’s records of the level of a Unitholder’s participation will be conclusive evidence of the matters so recorded.

By submitting a Notice of Election, a Unitholder consents to the collection, use and disclosure of the Unitholder’s personal data by the Manager (or its agents or service providers) for the purposes of implementing, processing and administering by the Manager (or its agents or service providers) of the Distribution Reinvestment Plan or other ancillary purposes (the “**Permitted Purposes**”), and in order for the Manager (or its agents or service providers) to comply with and enforce rights under any applicable laws, listing rules, regulations and/or guidelines or the Terms and Conditions. The Unitholder further authorises the Manager to disclose such data to (a) the Manager’s authorised representatives for all purposes in connection with any internal analysis, implementation of corporate actions and investor relations communications, and (b) the following persons and their authorised representatives, for any of the Permitted Purposes: (i) the Processing Agent and its related corporations; (ii) CDP (as defined herein) and its related corporations; (iii) the Unitholder’s bank by whom the Unitholder’s bank account is maintained for direct crediting (if applicable); and (iv) any third party with whom the Processing Agent, CDP or any of their related corporations has service arrangements.

#### **4. TERMS AND CONDITIONS OF THE DISTRIBUTION REINVESTMENT PLAN**

##### **4.1 Establishment**

The Distribution Reinvestment Plan has been established by the Manager for the benefit of Prime US REIT and the Unitholders.

##### **4.2 Terms and Conditions**

The following are the Terms and Conditions of the Distribution Reinvestment Plan.

In these Terms and Conditions:

“**Business Day**” shall mean any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading in securities;

“**CDP**” shall mean The Central Depository (Pte) Limited;

“**Depositor**”, and “**Depository Register**” shall have the respective meanings ascribed to them in the Securities and Futures Act, Chapter 289 of Singapore;

“**Depository Unitholder**” means a Unitholder registered in the Depository Register;

“**Distribution Calculation Date**” shall mean 30 June and 31 December in each year or such other dates as the Manager may determine;

“**Distribution Date**” shall mean a Business Day which is no later than 90 days after the Distribution Calculation Date for the relevant Distribution Period (or such other period as may be specified under the Trust Deed) on which a Distribution is payable;

“**Distribution Period**” shall mean the period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date, or as the case may be, for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of termination of Prime US REIT;

“**Market Day**” shall mean a day on which the SGX-ST is open for trading in securities;

“**Non-Depository Unitholder**” means a Unitholder registered in the Register of Unitholders;

“**Overseas Unitholders**” shall mean Unitholders with registered mailing addresses outside Singapore as at the relevant Record Date for a Distribution and who have not provided to CDP not later than three (3) Market Days (or such other cut-off date as the Manager may determine) prior to the relevant Record Date with mailing addresses in Singapore for the service of notices and documents;

“**Price Determination Period**” shall mean the period of 10 Business Days immediately prior to, and ending on, the Record Date;

“**Qualifying Distribution**” shall mean any Distribution to which the Distribution Reinvestment Plan applies, as determined by the Manager;

“**Record Date**” shall mean the date and time to be determined by the Manager on which the register of Unitholders will be closed for the purpose of determining the entitlements of Unitholders to a Distribution;

“**Register of Unitholders**” shall mean the register of Unitholders kept pursuant to the Trust Deed;

“**Securities Accounts**” shall mean securities accounts maintained by Depositors with CDP but does not include securities sub-accounts;

“**Take-over Code**” shall mean the Singapore Code on Take-overs and Mergers, including all practice notes, rules and guidelines thereunder, as may be amended from time to time;

**“Trust Deed”** shall mean the deed of trust dated 7 September 2018 constituting Prime US REIT, as amended, varied and/or supplemented;

**“Trustee”** shall mean DBS Trustee Limited, in its capacity as trustee of Prime US REIT;

**“Units”** shall mean an undivided interest in Prime US REIT as provided for in the Trust Deed;

**“Unitholders”** shall mean persons who are registered as holders of Units for the time being of a Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units;

**“U.S. Securities Act”** shall mean the U.S. Securities Act of 1933, as amended;

**“US\$”** or **“United States Dollars”** means the lawful currency of the United States of America; and

**“%”** or **“per cent.”** shall mean percentage or per centum.

### **4.3 Eligibility**

All Unitholders are eligible to participate in the Distribution Reinvestment Plan, subject to: (i) the restrictions on Overseas Unitholders, more particularly described in paragraph 4.4 below, (ii) the condition that participation in the Distribution Reinvestment Plan shall not be available to such Unitholders or class of Unitholders as the Manager may in its absolute discretion determine and (iii) the requirement that such participation by the Unitholders will not result in a breach of any other restriction on such Unitholders’ holding of Units which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or prescribed by the Trust Deed.

### **4.4 Unitholders Resident Outside Singapore**

The New Units to be allotted and issued under the Distribution Reinvestment Plan have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. person, except in a transaction not subject to or exempt from the registration requirements of the U.S. Securities Act and the securities laws of any state or other jurisdiction in the United States.

Furthermore, for practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Unitholders may have their registered addresses, the Distribution Reinvestment Plan may, at the absolute discretion of the Manager, not be offered to Overseas Unitholders. No Overseas Unitholder shall have any claim whatsoever against Prime US REIT, the Manager, the Trustee or CDP as a result of the Distribution Reinvestment Plan not being offered to such Overseas Unitholders. If the Manager has decided not to offer the Distribution Reinvestment Plan to Overseas Unitholders, Overseas Unitholders who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation or offer of any securities to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Distribution Reinvestment Plan as may be applicable to them.

Overseas Unitholders who wish to be eligible to participate in the Distribution Reinvestment Plan should provide an address in Singapore for the service of notices and documents to the Manager, c/o The Central Depository (Pte) Limited, 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589 (or such other address as may be announced by the Manager from time to time), not later than three (3) Market Days prior to the Record Date (or such other cut-off date as the Manager may determine). Unitholders should note that all correspondences and notices will be sent to their last registered mailing addresses with CDP. Unitholders who are subject to the laws and regulations of jurisdictions outside Singapore shall, by participating in the Distribution Reinvestment Plan, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

#### **4.5 Level of Participation**

A Unitholder may elect to participate in the Distribution Reinvestment Plan (the “**Participating Unitholder**”) in respect of, all or part of his/her holding of Units as at each Record Date to which each Notice of Election received by him/her relates for a Qualifying Distribution (the “**Participating Units**”). If the Notice of Election submitted by a Unitholder is not in order, such Unitholder will receive their Distribution in cash.

#### **4.6 Notice of Election to Participate**

The Manager will, at its absolute discretion, send to each Unitholder one or more notices of election (in such form as the Manager may approve) through which each Unitholder may indicate whether they wish to participate in the Distribution Reinvestment Plan (the “**Notice of Election**”).

To be effective in respect of any Qualifying Distribution, a Notice of Election duly completed and signed by the relevant Unitholder must be received by the Processing Agent, by the date and time to be specified by the Manager in respect of that Qualifying Distribution. A Unitholder receiving more than one Notice of Election may elect to receive New Units in respect of his/her entitlement to which one Notice of Election relates and decline to receive New Units in respect of his/her entitlement to which any other Notice of Election relates.

A Unitholder receiving more than one Notice of Election and wishing to receive New Units in respect of all of his/her entitlement to the Qualifying Distribution in respect of all his/her holding of Units must complete and sign all the Notices of Election received by him/her and return the completed and signed Notices of Election, no later than the date and time to be specified by the Manager in respect of the Qualifying Distribution, to the Processing Agent at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 (or such other address as may be announced by the Manager from time to time).

A Notice of Election to participate in the Distribution Reinvestment Plan in any other form will not be accepted by the Processing Agent. If a Notice of Election is received after the date and time specified by the Manager for the receipt of such Notices of Election for any particular Qualifying Distribution, the Notice of Election will not, unless otherwise determined by the Manager, be effective for that Qualifying Distribution.

A Notice of Election in respect of any Qualifying Distribution shall not, upon its receipt by the Processing Agent, be withdrawn or cancelled.

The Manager is under no obligation to correct invalid Notices of Election on behalf of any Unitholder or to provide any reason for rejecting any Notice of Election.



By electing to participate in the Distribution Reinvestment Plan, the Participating Unitholder unconditionally:

- (a) warrants to the Manager that he/she has the legal right and full power and authority to participate in the Distribution Reinvestment Plan and that its participation in the Distribution Reinvestment Plan will not result in a breach of any law or regulation by which it is bound;
- (b) acknowledges that the Manager may at any time determine that the Participating Unitholder's Notice of Election or other form ("**Form**") is valid, even if the relevant Form or part thereof is incomplete, contains errors or is otherwise defective;
- (c) acknowledges that the Manager may reject any Form without furnishing any reasons;
- (d) acknowledges that the Manager has not provided the Participating Unitholder with investment or other advice and that the Manager does not have any obligation to provide any advice in connection with the Distribution Reinvestment Plan;
- (e) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the Distribution Reinvestment Plan; and
- (f) submits to the exclusive jurisdiction of the Singapore courts,

in each case, at all times until termination of the Distribution Reinvestment Plan or of the Participating Unitholder's participation in the Distribution Reinvestment Plan.

#### **4.7 Extent of Application of Distribution Reinvestment Plan to each Distribution**

The Manager may, in its absolute discretion, in respect of any Distribution, determine whether the Distribution Reinvestment Plan shall apply to such Distribution. If, in its absolute discretion, the Manager has not determined that the Distribution Reinvestment Plan is to apply to a particular Distribution, such Distribution shall be paid in cash to Unitholders in the usual manner notwithstanding their prior elections under the Distribution Reinvestment Plan.

#### **4.8 Unit Entitlement**

By electing to participate in the Distribution Reinvestment Plan in respect of any Notice of Election received by him/her, a Participating Unitholder elects in respect of any Qualifying Distribution (after the deduction of any applicable income tax) to which such Notice of Election relates to receive Units in lieu of the cash amount of the Qualifying Distribution.

In respect of any Qualifying Distribution, the number of New Units to be allotted and issued to the Participating Unitholder electing to receive New Units in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{(U \times D_1) - (U \times D_1 \times T)}{V} + \frac{(U \times D_2) - (U \times D_2 \times T)}{V}$$

(each component rounded down to the nearest whole Unit)

Where:

N = the number of New Units to be allotted and issued as fully paid to the Participating Unitholder in respect of such Notice of Election.

U = the number of Participating Units held by the Participating Unitholder as at the Record Date for which such Notice of Election relates.

D<sub>1</sub> = the tax-exempt income component of the Qualifying Distribution per Unit to which such Notice of Election relates.

D<sub>2</sub> = the capital component of the Qualifying Distribution per Unit to which such Notice of Election relates.

T = the applicable income tax rate.

V = the issue price of a New Unit, which shall for the purpose of calculating the number of New Units to be allotted and issued as fully paid to the Participating Unitholder, pursuant to the Distribution Reinvestment Plan, be an amount in United States Dollars determined by the Manager (the “**Relevant Amount**”), which Relevant Amount shall be as permitted under the Listing Manual, or any other applicable legislation, which is currently set at not more than ten per cent. (10%) discount (or such other discount as may be permitted by the Listing Manual) to, nor shall it exceed, the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the Price Determination Period. In the event that there is no trading in the Units during the Price Determination Period, the Relevant Amount shall not exceed the volume-weighted average traded price per Unit (“**VWAP**”) for all trades on the SGX-ST, for each of the Market Days during a period to be determined by the Manager prior to the announcement of the application of the Distribution Reinvestment Plan to such Distribution, and if the Market Days fall before the ex-date of the Distribution, the VWAP for that day shall be adjusted by the amount of the Qualifying Distribution provided that in the event that the amount of the Qualifying Distribution is only an estimate and not fixed, there shall be no adjustment to the VWAP in relation to the portion of the Qualifying Distribution which is an estimate.

The Manager shall, in its absolute discretion, make such provisions as it thinks fit where the number of New Units calculated in accordance with the above formula becomes attributable in fractions, including provisions whereby fractional entitlements are rounded down to the nearest whole Unit with the fractional entitlements disregarded, or otherwise dealt with in such manner as it may deem fit.

#### **4.9 Terms of Allotment**

Unless the Manager otherwise determines, all New Units to be allotted under the Distribution Reinvestment Plan will be allotted as fully paid. All such New Units shall, upon allotment and issue, rank *pari passu* in all respects with all existing Units then in issue save only as regards participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced whose record date is prior to the date of issue of the New Units, unless the Manager shall otherwise specify.

Participating Unitholders who are Non-Depository Unitholders will receive confirmation notes confirming the number of New Units issued to them and the date of such issue.

Participating Unitholders who are Depository Unitholders will have the New Units credited to their Securities Accounts maintained with CDP.

#### **4.10 Odd Lots**

A Unitholder who elects to receive New Units under the Distribution Reinvestment Plan in lieu of the cash amount of the Qualifying Distribution may receive such New Units in odd lots. Unitholders who receive odd lots of New Units under the Distribution Reinvestment Plan and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one Unit.

#### **4.11 Notification Letter to Participating Unitholders**

A notification letter will be sent to each Participating Unitholder on or about each Distribution Date, which in any event shall be no later than 90 calendar days (or such other period as may be specified under the Trust Deed) after the Distribution Calculation Date for the relevant Distribution Period, or such other period as the Manager may decide, detailing, among other things: (a) the number of Participating Units held by the Participating Unitholder in respect of his/her Notice of Election; and (b) the number of New Units to be allotted to the Participating Unitholder under the Distribution Reinvestment Plan.

#### **4.12 Cost to the Participating Unitholders**

Under Singapore laws as at the date of this Statement, brokerage or other transaction costs and stamp duty will not be payable by Participating Unitholders on New Units allotted and issued under the Distribution Reinvestment Plan.

#### **4.13 Cancellation of Application of the Distribution Reinvestment Plan**

Notwithstanding any provision in these Terms and Conditions, if at any time after the Manager has determined that the Distribution Reinvestment Plan shall apply to any particular Distribution and before the allotment and issue of New Units in respect of that Distribution, the Manager shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Distribution Reinvestment Plan in respect of such Distribution, the Manager may, at its absolute discretion and as it may deem fit in the interest of Prime US REIT and without assigning any reason therefor, cancel the application of the Distribution Reinvestment Plan to the Distribution. In such event, the Distribution shall be paid in cash to Unitholders in the usual manner. Unitholders should note that in the event the application of the Distribution Reinvestment Plan to a Distribution is cancelled, the date of payment of the Distribution in cash may be delayed.

#### **4.14 Modification, Suspension and Termination of the Distribution Reinvestment Plan**

The Distribution Reinvestment Plan may be modified, suspended (in whole or in part) or terminated at any time by the Manager as it deems fit, provided that notice in writing is given to all Unitholders.

#### **4.15 General Administration of the Distribution Reinvestment Plan**

The Manager may implement the Distribution Reinvestment Plan in the manner it deems fit.

The Manager has the power to:

- (i) determine procedures, rules and regulations for administration of the Distribution Reinvestment Plan consistent with these Terms and Conditions;
- (ii) settle in such manner as it thinks fit any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Distribution Reinvestment Plan) which may arise in connection with the Distribution Reinvestment Plan, whether generally or in relation to any Participating Unitholder or any Units and the determination of the Manager will be conclusive and binding on all Unitholders and other persons to whom the determination relates;
- (iii) delegate to any one or more persons, for such period and on such conditions as the Manager may determine, the exercise of any of their powers or discretions under or in respect of the Distribution Reinvestment Plan and references to a decision, opinion or determination of the Manager include a reference to the decision, opinion or determination of the person or persons to whom the Manager has delegated its authority for the purposes of administering the Distribution Reinvestment Plan; and
- (iv) waive strict compliance by the Manager or any Unitholder with any of these Terms and Conditions.

#### **4.16 Takeover Implications**

The attention of Unitholders is drawn to Rule 14 of the Take-over Code. In particular, a Unitholder should note that he may be under an obligation to extend a take-over offer for Prime US REIT if:

- (a) he/she, by participating in the Distribution Reinvestment Plan in relation to any Qualifying Distribution, acquires, whether at one time or different times, New Units which (taken together with Units held or acquired by him/her or persons acting in concert with him/her) carry 30% or more of the voting rights of Prime US REIT; or
- (b) he/she, together with persons acting in concert with him/her, holds not less than 30% but not more than 50% of the voting rights of Prime US REIT and he/she, or any person acting in concert with him/her, by participating in the Distribution Reinvestment Plan in relation to any Qualifying Distribution, acquires, in any period of six (6) months, additional New Units carrying more than 1% of the voting rights of Prime US REIT.

Unitholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any acquisition of New Units through their participation in the Distribution Reinvestment Plan are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.

#### **4.17 Other Arrangements by the Manager in relation to the New Units not Taken Up**

The Manager may, on such terms and conditions as the Manager in its absolute discretion deem fit, and subject to any applicable laws, listing rules, regulations and/or guidelines enter into arrangements, transactions, agreements and deeds relating to or in connection with the Distribution Reinvestment Plan including any underwriting or other arrangement with any party with respect to any New Units (the “**Relevant Units**”) not issued to or taken up by

Unitholders who do not elect to receive Units in respect of a Qualifying Distribution and/or which relate to Overseas Unitholders had they been eligible to participate and for this purpose, the Relevant Units may be issued, on such terms and conditions as the Manager deem fit, to one or more underwriters or other parties (the “**Placee(s)**”).

Such arrangements entered into by the Manager would enable it to retain funds, which would otherwise be payable to the Unitholders pursuant to such Qualifying Distribution, and also contribute to the growth and expansion of Prime US REIT. The Placee(s) will be selected by the Manager, based on selection criteria that would include, among others the following:

- (i) the commitment of the Placee(s) to take up 100% of the New Units not taken up by Unitholders (other than New Units attributable to any Unitholders who may have confirmed or indicated that they will elect to receive New Units in respect of the Qualifying Distribution);
- (ii) the quantum of the fee or commission to be charged; and
- (iii) the financial ability of the Placee(s).

#### **4.18 Governing Law**

This Statement, the Distribution Reinvestment Plan and these Terms and Conditions thereof shall be governed by, and construed in accordance with, the laws of Singapore.

#### **4.19 Notices and Statements**

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Manager to a Participating Unitholder shall be given in accordance with the applicable provisions of the Trust Deed.

### **5. LISTING ON THE SGX-ST**

The Manager shall make the necessary applications for the listing of the New Units to be issued and allotted under the Distribution Reinvestment Plan on the SGX-ST. Approval of such applications from the SGX-ST is not to be taken as an indication of the merits of the Distribution Reinvestment Plan, the New Units, Prime US REIT, the Trustee or the Manager.

### **6. TAXATION**

Prime US REIT, the Manager, the Trustee, the Processing Agent and CDP take no responsibility for the tax liabilities of Participating Unitholders or the tax consequences of any election made by Unitholders. As individual circumstances and laws may vary considerably, specific tax advice should be obtained by Unitholders if they are in any doubt or if they otherwise require any such tax advice.

Prime US REIT, the Manager, the Trustee and CDP take no responsibility for the correctness or accuracy of any information as to tax liability set out in this Statement.

As a general indication, however, it is understood that as at the date of this Statement, under tax legislation in Singapore, a Unitholder's Singapore tax liability in relation to the Units

received will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Distribution Reinvestment Plan

## 7. OTHER ITEMS

The New Units are offered on the Terms and Conditions set out in this Statement and in the applicable provisions of the Trust Deed. There are no other terms other than those implied by law or set out in publicly registered documents.

## 8. ENQUIRIES

Enquiries regarding any aspect of the Distribution Reinvestment Plan should be directed to:

KBS US Prime Property Management Pte. Ltd.  
c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place, #32-01  
Singapore Land Tower  
Singapore 048623  
(Telephone number: +65 6951 8099)

## 9. Restriction on ownership of Units in excess of 9.8% of the outstanding Units

Unitholders and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units (the “**Unit Ownership Limit**”), subject to any increase or waiver pursuant to the terms of the Trust Deed (as defined herein) and on the recommendation of the Manager. The Trust Deed provides that Units held directly or indirectly by any person in excess of the Unit Ownership Limit will be automatically forfeited and held by the Trustee (“**Automatic Forfeiture**”). While forfeited Units are held by the Trustee, all rights attributable to those Units, such as the right to vote and the right to receive distributions, will be held by the Trustee; the Unitholder from whom the Units are forfeited shall have no right to vote or receive distributions arising from such Units. The Trustee will have the right and power to dispose of Units subject to Automatic Forfeiture, and upon such disposal the Unitholder from whom the Units are forfeited will receive the proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder’s proportionate unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder; any excess shall be donated by the Trustee to a charitable, philanthropic or benevolent organisation or purpose. If, prior to the discovery by the Trustee that Units are subject to Automatic Forfeiture, such Units are sold by the Unitholder, then such Units shall be deemed to have been sold on behalf of the Trustee and to the extent that such Unitholder received an amount in excess of the amount which it would otherwise

have been entitled to, such excess shall be paid to the Trustee upon demand to be donated to a charitable, philanthropic or benevolent organisation or purpose.

**For the avoidance of doubt, the Automatic Forfeiture is effective automatically, whether or not the Trustee or the Manager is aware of the change in ownership or aware of the fact that the Unit Ownership Limit has been breached and without any requirement for notice by the Trustee or the Manager. Unitholders are advised to manage their interests in the Units so as not to breach the Unit Ownership Limit and trigger the Automatic Forfeiture.**

The Trustee, acting on the recommendation of the Manager, will also have the right and power to grant either retroactive or prospective waivers from Automatic Forfeiture. A retroactive waiver will render any Automatic Forfeiture void and will restore, as far as possible, the Unitholder whose Units were forfeited to a position that it would have been in had there been no Automatic Forfeiture. Before a waiver is granted, the Trustee and the Manager must be satisfied (and in this respect the Trustee may act on the recommendation and rely on information provided by the Manager) that ownership of such Units will not cause any subsidiary or associate of Prime US REIT to fail to qualify as a real estate investment trust (“REIT”) for U.S. federal income tax purposes (a “U.S. REIT”) where such subsidiary or associate would otherwise qualify. In this regard, a potential investor seeking a prospective waiver may be required to provide (i) additional representations, undertakings, a United States Internal Revenue Service (“IRS”) ruling and/or legal opinion to satisfy the Trustee and the Manager that all of Prime US REIT’s subsidiaries will continue to maintain their qualification as U.S. REITs despite the potential investor’s proposed ownership and (ii) an acknowledgement and consent to the loss of the U.S. portfolio interest exemption. The Trustee will exercise its discretion to grant waivers except to the extent that the proposed ownership would in fact impact any of Prime US REIT’s subsidiaries’ qualification as a U.S. REIT. The Trustee, acting on the recommendation of the Manager, may also increase the Unit Ownership Limit for a Unitholder (including on a retroactive basis to remediate an Automatic Forfeiture) where such an increase would not adversely affect the U.S. REIT status of any of Prime US REIT’s subsidiaries. The Trustee shall not be required to give any reason for, and shall not under any circumstance be liable to or be responsible for any losses incurred by, any person as a result of, any decision, declaration or action taken or made in this regard.

#### **10. LIABILITY OF PRIME US REIT, THE MANAGER AND THE TRUSTEE**

Notwithstanding anything herein, neither Prime US REIT nor its subsidiaries, the Manager, the Trustee nor any officer, agent or representative of the Manager or the Trustee shall under any circumstances be liable or responsible to any Unitholder or Participating Unitholder for any loss, damage, cost, charge, claim, demand, judgment, action, proceeding, expense or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) (collectively, “Liability”) or alleged Liability in connection with or as a result, directly or indirectly, of the establishment or operation of the Distribution Reinvestment Plan or participation in the Distribution Reinvestment Plan or in relation to any matter in connection with the Distribution Reinvestment Plan, including any delay in allotting or issuing any New Units or applying for their listing. No representation or warranty is given in respect of any Units, any New Units, Prime US REIT, the Trustee or their respective

subsidiaries or associated companies, or the Manager, or that listing approval for the New Units will be obtained.

The Notice of Election shall be deemed to have been duly given to Unitholders if sent by post to the Unitholders' last registered mailing addresses with CDP, and shall be deemed to have been given three (3) days after posting. The Manager will not be liable or responsible for any Liability if the despatched Notices of Election are not received by Unitholders, or if the Notices of Election completed by Unitholders are not received by the Processing Agent.

Unitholders who do not receive the Notice of Election within three (3) Market Days from the date of despatch as announced by the Manager and who would like to participate in the Distribution Reinvestment Plan may wish to obtain a copy of the same from the Processing Agent at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 (or such other address as may be announced by the Manager from time to time).

Date: 21 June 2021