
MODIFICATIONS, WAIVERS AND LICENSING CONDITIONS

In connection with the authorisation of Sunlight REIT by the SFC, the Manager has applied to, and has received approval from, the SFC in relation to the modifications of, and waivers from, strict compliance with certain requirements of the REIT Code. A summary of such modifications and waivers is set out below.

Connected Party Transactions — Chapter 8 of the REIT Code

Sunlight REIT has applied for, and the SFC has granted, waivers from strict compliance with certain provisions in Chapter 8 of the REIT Code in relation to certain continuing connected party transactions of Sunlight REIT within the meaning of the REIT Code. Details of the waivers received for (i) certain connected party transactions between Sunlight REIT Group, the SKFE Connected Persons Group and/or the Manager Group; and (ii) certain connected party transactions between the Trustee Connected Persons and Sunlight REIT Group, are set out in the section headed “Connected Party Transactions” in this Offering Circular.

Waiver in respect of Payment of Manager’s Fees by Way of Units

Under the terms of the Trust Deed, the Manager will be remunerated in the form of the Base Fee, Variable Fee, Acquisition Fee, and Divestment Fee. The Manager has applied to the SFC for, and has received, a waiver from strict compliance with certain requirements under (a) Chapter 12 of the REIT Code in respect of the issuance of Units to the Manager as payment of all or part of the Base Fee and Variable Fee and (b) Chapter 6 of the REIT Code in respect of a valuation of all real estate held under Sunlight REIT in the event of such issuance of such Units, subject to the following conditions:

- (i) the number of Units issued to the Manager by way of payment of all or part of the Base Fee and Variable Fee for each financial year of Sunlight REIT will be counted as part of the 20% (or such lower percentage as permitted by the REIT Code from time to time) of outstanding Units that the Manager may issue in each financial year without Unitholders’ approval pursuant to paragraph 12.2 of the REIT Code;
- (ii) in respect of each financial year, the maximum number of Units that may be issued to the Manager as payment of all or part of the Base Fee and Variable Fee for that financial year shall be limited to such number of Units as represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by Sunlight REIT;
- (iii) any issuance of Units to the Manager as payment of all or part of the Base Fee and Variable Fee shall be made strictly in accordance with the requirements of the Trust Deed; and
- (iv) in the event that any payment of all or part of the Base Fee and Variable Fee in the form of Units exceeds the relevant thresholds set out in paragraph 12.2 of the REIT Code and paragraph (ii) above, and Unitholders’ approval is not obtained for the issue of Units for such purpose, then payment of that excess part of the Base Fee and Variable Fee will be made by Sunlight REIT to the Manager in cash.

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Three Layers of Special Purpose Vehicles

To enable Sunlight REIT to have a group holding company structure to facilitate any future group reorganisation and disposal of property interests through intermediate holding companies to achieve savings in transaction costs, and considering the manner in which some companies in the group have historically been held, submission has been made to the SFC for the use of three layers of REIT Group Companies by Sunlight REIT and this has been allowed by the SFC subject to the condition that there will be no change to the maximum number of layers of REIT Group Companies used by Sunlight REIT without further approval of the SFC.

Licensing Conditions on the Manager

In addition to the statutory conditions set out in the SFO, the SFC has imposed the following licensing conditions upon the Manager:

- (1) the Manager's licence shall lapse and cease to have effect as and when:
 - (i) Sunlight REIT is de-authorised; or
 - (ii) the Manager ceases to act as the management company of Sunlight REIT; and
- (2) for Type 9 regulated activity, the Manager shall only engage in managing Sunlight REIT.