

# Frequently Asked Questions

## DRSPP (Dividend Reinvestment and Stock Purchase Plan)

(as of 12/13/2018)

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### PURPOSE

#### 1. What is the purpose of the Plan?

The purpose of the Plan is to provide holders of record of shares of our common stock with a convenient and economical way of investing cash dividends and optional cash payments in shares of our common stock (see Question 16) without payment of any brokerage commission or service charge. Since such shares of our common stock will be purchased directly from us, we will receive additional funds to make investments in real estate and for other purposes. See “Use of Proceeds” below.

### ADVANTAGES

#### 2. What are the advantages of the Plan?

By participating in the Plan:

- You may purchase shares of our common stock (see Question 16) by reinvesting cash dividends on all or less than all of the shares of our common stock registered in your name. If you elect to reinvest cash dividends on less than all of the shares of our common stock registered in your name, you will continue to receive cash dividends on the remaining shares registered in your name.
- You may purchase additional shares of our common stock by making optional cash payments at any time of not less than \$500 per payment nor more than \$1,000 per month, unless a Request for Waiver has been accepted by us as described in Question 12 below.
- You pay no trading fees or service charge in connection with investments under the Plan.
- Recordkeeping is simplified under the Plan by the provision of a statement of account to each participant.

### ADMINISTRATION

#### 3. Who administers the Plan?

American Stock Transfer & Trust Company, LLC (the “Agent”) administers the Plan and provides certain administrative support. On behalf of participants, the Agent keeps records, sends statements of account after each purchase to participants and performs other duties relating to the Plan. The Agent purchases shares of our common stock from us as agent for participants in the Plan and credits such shares of common stock to the accounts of the individual participants.

The Agent can be contacted by phone at 1-800-278-4353, via its website at [www.astfinancial.com](http://www.astfinancial.com), or by mail at P.O. Box 922, Wall Street Station, New York, NY 10269-0560.

### ELIGIBILITY

#### 4. Who is eligible to participate?

##### (a) Stockholders of Record:

All holders of record of shares of our common stock are eligible to participate in the Plan.

##### (b) Beneficial Owners of Shares of common stock:

Beneficial owners, whose shares of our common stock are registered in names other than their own (for instance, in the name of a broker or bank nominee), may only participate in the reinvestment of cash dividends on such shares of common stock as described below under the heading “Participation” (see Question 6). A stockholder, all of whose shares of our common stock are in street name or nominee name, may also participate

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in the optional cash payment provision by completing and sending in an Authorization Card certifying that he/she is a stockholder of us.

#### 5. How is the Plan to be interpreted?

Any question of interpretation arising under the Plan will be determined by us and any such determination will be final.

#### PARTICIPATION

#### 6. How do holders of shares of our common stock join the Plan?

A holder of record of shares of our common stock may join the Plan at any time by completing and signing an Authorization Card and returning it to the Agent. An Authorization Card may be obtained at any time by writing to Global Medical REIT Inc., Attention: Investor Relations, 2 Bethesda Metro Center, Suite 440, Bethesda, Maryland 20814. A holder of record may also join the Plan by enrolling online through the Agent's website at [www.astfinancial.com](http://www.astfinancial.com) and following the instructions for enrollments. All Plan materials, including enrollment forms, other Plan forms and this Prospectus, are available through the Agent.

If you do not hold shares registered in your name but instead hold them through a broker, bank or other nominee, you must either become a registered stockholder by having shares transferred into your name or, if permitted by your broker, bank or other nominee, arrange with the record holder to participate in the Plan on your behalf. If you choose the latter, you will not have an account administered by the Plan administrator; instead, you must deal with and through the record holder.

#### 7. What are my options for participation under the Plan?

By marking the appropriate spaces on the Authorization Card or making the appropriate election online, you may choose among the following options:

- "Full Dividend Reinvestment." To reinvest cash dividends automatically on all shares of common stock now and subsequently registered in your name at the market price (see Question 16 below for a description of how this is computed).
- "Partial Dividend Reinvestment." To reinvest cash dividends automatically on less than all of the shares of common stock registered in your name (a specified number of full shares) at the market price and continue to receive cash dividends on your remaining shares of our common stock. If you elect partial dividend reinvestment, you must reinvest at least 10% of your dividend distribution.
- "Optional Cash Payments." To invest by making optional cash payments, at any time, in any amount, not less than \$500, nor more than \$1,000, per month, unless a Request for Waiver has been accepted by us as described in Question 12 below, whether or not any dividends are being automatically reinvested at the market price.

You may choose to both reinvest cash dividends automatically (either on all or less than all of the shares of our common stock registered in your name) and to make optional cash payments. If you elect to make optional cash payments (but do not elect full or partial dividend reinvestment) you will continue to receive cash dividends on shares of our common stock in the usual manner other than on those shares of our common stock credited to your account under the Plan. The Agent will apply any optional cash payment received with the Authorization Card or with a subsequent payment form (see Question 11 below) to the purchase of shares of our common stock under the Plan.

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You may make these elections on the Authorization Card or when you enroll online at [www.astfinancial.com](http://www.astfinancial.com). The Authorization Card also provides a certification to be signed by beneficial owners whose shares of our common stock are held in street or nominee name who wish to participate in the optional cash payment provisions.

The Agent will reinvest automatically any subsequent dividends on the shares of our common stock credited to your account under the Plan, including any shares of our common stock you purchase with optional cash payments. The Plan, in other words, operates so as to reinvest dividends on a cumulative basis on the shares of our common stock designated on your Authorization Card and on all shares of our common stock accumulated and held in your Plan account, until you specify otherwise by notice in writing delivered to the Agent or withdraw from the Plan altogether, or until the Plan is terminated. See Question 30 below for the consequences of sales of shares of our common stock subject to the Plan.

#### 8. May I change options under the Plan?

Yes. You may change options under the Plan at any time by completing and signing a new Authorization Card and returning it to the Agent or changing your election online at [www.astfinancial.com](http://www.astfinancial.com). The answer to Question 6 tells how to obtain an Authorization Card and return envelope or to enroll online. Any change concerning the reinvestment of dividends must be received by the Agent prior to the record date for a dividend (see Question 10) in order for the change to become effective with that dividend.

#### 9. What transactions can I conduct through the Agent's online services?

The Agent offers you a convenient way for record holders to invest in our common stock completely online, without having to send in any forms or checks by mail. Through the Agent's online services, you may:

- Enroll in the Plan;
- Change your dividend reinvestment election;
- Review your transaction history and position summary;
- Request certificates;
- Download enrollment and other forms;
- Update personal information; and
- Receive transaction confirmations via email.

You can access these services through the investor relations section of the Agent's website, [www.astfinancial.com](http://www.astfinancial.com). Participation in the Plan through the Internet is entirely voluntary.

If you are a registered holder, you will need your account number, social security number and password to access your account online. If your shares are registered in "street name," you must consult your broker or other record or registered holder for more information (Question 6).

#### 10. When will investment of dividends respecting shares of common stock start?

If your Authorization Card or online election to reinvest dividends is received by the Agent prior to the record date for determining the holders of shares entitled to receive the next dividend, reinvestment of your dividends will commence with that next dividend payment. The record dates for dividend payments on the shares of our common stock are generally on or about March 10, June 10, September 10 and December 10. If your Authorization Card or online election to reinvest dividends is received subsequent to the record date, reinvestment of your dividends (or designated portion thereof) will not start until payment of the next following dividend.

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### OPTIONAL CASH PAYMENTS

11. How does the cash payment option work?

Each participant in the Plan may invest in additional shares of our common stock by making optional cash payments at any time. Participants in the Plan have no obligation to make any optional cash payments. Optional cash payments may be made at irregular intervals and the amount of each optional cash payment may vary, but no optional cash payments may be less than \$500 and the total optional cash payments invested by each owner of shares of our common stock may not exceed \$1,000 per month, unless a Request for Waiver has been accepted by us as described in Question 12 below.

An optional cash payment may be made by enclosing a check with the Authorization Card when enrolling; and thereafter by forwarding a check to the Agent with a payment form which will be attached to each statement of account. Checks must be in United States dollars and should be made payable to “American Stock Transfer & Trust Company.” No interest will be paid on optional cash payments held by the Agent pending the purchase of shares of our common stock. (See Questions 14 and 15 below).

Optional cash payments must be received by the Agent by the fifth (5th) day of each calendar month, unless the 5th falls on a non-business day, in which case the payment must be received by the preceding business day. Optional cash payments received by the Agent subsequent to that date will be applied to the next month’s optional cash payments.

### WAIVER OF MAXIMUM LIMITS

12. May I make an optional cash payment in excess of \$1,000 per month?

Optional cash investments in excess of \$1,000 per month may be made only pursuant to a Request for Waiver (a “Request for Waiver”) accepted by us. Participants who wish to submit an optional cash investment in excess of \$1,000 for any Investment Date must obtain our prior written approval. A Request for Waiver should be directed to Investor Relations at Global Medical REIT Inc. via telephone at (202) 524-6869. We have sole discretion to grant any approval for optional cash investments in excess of the allowable maximum amount. In deciding whether to approve a Request for Waiver, we will consider relevant factors including, but not limited to, our need for additional funds, the attractiveness of obtaining such additional funds through the sale of our common stock as compared to other sources of funds, the purchase price likely to apply to any sale of our common stock, the participant submitting the request, the extent and nature of such participant’s prior participation in the Plan, the number of shares of our common stock held of record by such participant, and the aggregate amount of optional cash investments in excess of \$1,000 for which Requests for Waiver have been submitted by all participants. If Requests for Waiver are submitted for any Investment Date for an aggregate amount in excess of the amount we are then willing to accept, we may honor such requests in order of receipt, pro rata or by any other method that we determine to be appropriate. With regard to optional cash investments made pursuant to a Request for Waiver, the Plan does not provide for a predetermined maximum limit on the amount that a participant may invest or on the number of shares that a participant may purchase.

We do not anticipate approving any single participant Requests for Waiver to purchase more than two percent (2%) of our outstanding shares of common stock on an annual basis. We will generally grant Requests for Waiver where the participant is requesting to make one optional cash investment in lieu of making a series of investments over the next twelve (12) month period and so specifies in the participant’s written request.

In no event will we issue more shares in total than the number of shares registered for sale pursuant to the Plan.

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#### **PURCHASES**

13. What is the source of shares of our common stock purchased under the Plan?

Shares of our common stock purchased under the Plan come from authorized but unissued shares of our common stock. Shares will not be purchased in the open market. You will pay no service fees, brokerage trading fees or other charges on purchases of newly issued shares of our common stock under the Plan.

14. When will dividends and optional cash payments be invested in shares of our common stock?

Reinvestment of dividends will be made on the date when the dividend becomes payable. Optional cash payments will be invested on the Investment Date. In order to allow sufficient time for processing, optional cash payments must be received by the Agent by the fifth (5th) day of each month, unless the 5th falls on a non-business day, in which case the payment must be received by the preceding business day. Optional cash payments received by the Agent subsequent to that date will be applied to the next month's optional investment. Participants will become owners of shares of our common stock purchased under the Plan as of the date of purchase.

15. What is the Investment Date?

The Investment Date ("the Investment Date") for dividends will be the Dividend Payment Date. We currently intend to pay dividends on or about January 10, April 10, July 10 and October 10 (each, a "Dividend Payment Date"). For optional cash payments, the Investment Date will be the Dividend Payment Date in months having dividends payable, or otherwise on the fifth (5th) day of each month. If an Investment Date falls on a NYSE non-trading day, such as a Saturday, Sunday or NYSE holiday, the Investment Date will be the next following trading day.

16. What will be the price of shares purchased under the Plan?

Our common stock is traded on the NYSE. Our officers will fix the reinvestment price at the average of the daily high and low sale prices of our common stock trading on the NYSE on the four trading days including and preceding the purchase date. In the event there is no trading in our common stock, or if for any reason we and the Agent have difficulty in determining the price of shares to be purchased under the Plan, then our officers, in consultation with the Agent, will use such other public report or sources as our officers deem appropriate to determine the market price. If the reinvestment price involves a decimal with more than two places, the reinvestment price will be rounded up to the nearest cent.

17. How will the number of shares of our common stock purchased for me be determined?

The number of shares of our common stock that will be purchased for you on any Investment Date will depend on the amount of your dividends to be invested, the amount of any optional cash payments and the applicable purchase price of the shares of our common stock, and will be the number of shares of our common stock that results from dividing the aggregate amount of dividends and optional payments to be invested by the applicable purchase price. Partial shares will be credited to your account. At any time when you withdraw from the Plan or request all shares to be transferred to your name, you will receive a cash payment in lieu of any partial share. The amount of such cash payment will be based upon the then current market price of our common stock, less any commissions and any other costs of sale.

#### **COSTS**

18. Are there any costs to me for my purchases under the Plan?

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There are no trading fees for purchases of shares of our common stock under the Plan because shares are purchased directly from us. All costs of administration of the Plan will be paid by us. Brokers and nominees may impose charges or fees in connection with their handling of participation in the Plan by nominee and fiduciary accounts.

#### **DIVIDENDS**

19. Will dividends be paid on shares of our common stock held in my Plan account?

Yes. Any cash dividends declared on shares of our common stock held in your Plan account are automatically reinvested in additional shares of our common stock and credited to your Plan account, including any shares you purchase with optional cash payments.

#### **REPORTS TO PARTICIPANTS**

20. What reports will be sent to participants in the Plan?

Following each purchase of shares of our common stock for your account, the Agent will mail to you a statement of account showing amounts invested, the purchase price (see Question 16), the number of shares purchased, and other information for the year to date. Each participant will receive a Form 1099-DIV showing income reportable for U.S. federal income tax purposes following the final purchase in each calendar year (see Question 30). These statements are your record of the cost of your purchases and should be retained for income tax and other purposes. In addition, during the year you will receive copies of the same communications sent to all other holders of shares of our common stock.

#### **CERTIFICATES FOR SHARES**

21. Will I receive certificates for shares of common stock purchased under the Plan?

Shares of our common stock purchased by the Agent for your account will be registered in the name in which your plan account is maintained, in book-entry form on the Agent's records, and certificates for such shares will not be issued to you unless requested. The total number of shares credited to your account will be shown on each statement of account. This custodial service helps to protect you against the risk of loss, theft or destruction of stock certificates.

Certificates for any number of whole shares credited to your account will be issued to you at any time upon written request to the Agent. Cash dividends with respect to shares you own of record outside your Plan account will continue to be automatically reinvested in accordance with your election. Any remaining shares credited to your account will continue to be registered in the name in which your plan account is maintained in book-entry form on the Agent's records.

If the written request to the Agent is for certificates to be issued for all shares of our common stock credited to your account, you will receive a cash payment in lieu of any partial share. The amount of such a cash payment will be based upon the then current market price of our common stock, less any commissions and any other costs of sale. You can also request full shares to be issued via the Internet or the Interactive Voice Response System.

Certificates for fractional shares will not be issued under any circumstances.

22. In whose name will certificates be registered and issued?

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Upon your request, certificates for shares of our common stock will be issued and registered in the name in which your Plan account is maintained. For holders of record, this generally will be the name or names in which your shares are registered at the time you enroll in the Plan. Upon written request, shares will be registered in any other name, upon the presentation to the Agent of evidence of compliance with all applicable transfer requirements.

#### **TRANSFER AND PLEDGE OF SHARES**

23. Can I transfer shares that I hold in the Plan to someone else?

Yes. You may transfer ownership of some or all of your shares held through the Plan. You may call the Agent at the toll free number 1-800-278-4353 for complete transfer instructions or go to [www.astfinancial.com](http://www.astfinancial.com) to download the appropriate materials. You will be asked to send the Agent written transfer instructions and your signature must be “Medallion Guaranteed” by a financial institution. Most banks and brokers participate in the Medallion Guarantee Program. The Medallion Guarantee Program ensures that the individual signing is in fact the owner of the shares to be transferred. A notary is not sufficient.

24. May shares of common stock in my Plan account be pledged?

No. You must first remove your shares from the Plan and request that certificates for shares credited to your Plan account be issued to you (see Question 21) before you can pledge such shares.

#### **WITHDRAWAL FROM THE PLAN**

25. When may I withdraw from the Plan?

You may withdraw from the Plan at any time. If your request to withdraw is received by the Agent more than three business days prior to a Dividend Payment Date your account will be terminated and all dividends paid after receipt of your request to withdraw will be paid in cash. However, if your request to withdraw from the Plan is received less than three days prior to the Dividend Payment Date then that dividend will be reinvested, but, all subsequent dividends will be paid in cash.

After your request for withdrawal has become effective, all dividends will be paid in cash to you unless and until you re-enroll in the Plan, which you may do at any time.

26. How do I withdraw from the Plan?

In order to withdraw from the Plan, please complete the tear-off portion of any Plan statement of account and send it to American Stock Transfer & Trust Company, LLC P.O. Box 922, Wall Street Station, New York, NY 10269-0560 or access your account on-line at [www.astfinancial.com](http://www.astfinancial.com), or call the toll free number at 1-800-278-4353. When you withdraw from the Plan, or upon termination of the Plan by us, certificates for shares credited to your account under the Plan will be issued to you upon your request. You will receive a cash payment in lieu of any partial share. The amount of such a cash payment will be based upon the then current market price of the common stock, less any commissions and any other costs of sale.

#### **OTHER INFORMATION**

27. What happens if I sell or transfer shares of common stock registered in my name?

If you dispose of all shares of our common stock registered in your name, the dividends on the shares credited to your Plan account will continue to be reinvested in accordance with your election until you notify the Agent that you request to withdraw from the Plan.

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28. What happens if the Company issues a stock dividend, declares a stock split or has a rights offering?

Any stock dividends or split shares distributed by us on shares of our common stock credited to your Plan account will be added to your account. Stock dividends or split shares distributed on shares of our common stock for which you hold certificates will be mailed directly to you in the same manner as to stockholders who are not participating in the Plan.

In a regular rights offering, as a holder of record, you will receive rights based upon the total number of shares of our common stock owned; that is, the total number of shares for which you hold certificates and the total number of shares held in your Plan account.

We reserve the right to either curtail or suspend transaction processing until the completion of any stock dividend, stock split or corporate action.

29. Can I vote shares in my Plan account at meetings of stockholders?

Yes. You will receive a proxy for the total number of shares of our common stock you hold of record, including those credited to your Plan account. The total number of shares of our common stock held of record may also be voted in person at a meeting.

If the proxy is not returned or if it is returned unsigned, none of the shares of our common stock you hold in record name, including those credited to your Plan account, will be voted unless you vote in person.

30. What are the U.S. federal income tax consequences of participation in the Plan?

Under Internal Revenue Service rulings in connection with similar plans, dividends reinvested will be treated as taxable notwithstanding that the dividends are reinvested in stock.

The U.S. federal income tax treatment of dividend reinvestment and stock purchase programs is not entirely clear. You are encouraged to consult your tax advisor with specific reference to your own tax situation and potential changes in the applicable law as to all federal, state, local, foreign and other tax matters in connection with the reinvestment of dividends and purchase of shares under the Plan, your tax basis and holding period for shares of our common stock acquired under the Plan and the character, amount and tax treatment of any gain or loss realized on the disposition of such shares of our common stock. The following is a brief summary of the material U.S. federal income tax considerations applicable to the Plan, is for general information only and does not purport to address all aspects of taxation that may be relevant to a particular participant in light of your personal investment circumstances, or to certain types of participants (including, for example, insurance companies, partnerships or entities treated as partnerships for U.S. federal income tax purposes and investors therein, subchapter S corporations or other pass-through entities, tax-exempt organizations, financial institutions, dealers in securities or currencies, traders in securities that elect to use a mark to market method of accounting, persons that hold their common stock as part of a straddle, hedge, constructive sale transaction, conversion transaction, synthetic security or other integrated investment, regulated investment companies, REITs, certain U.S. expatriates, persons whose "functional currency" is not the U.S. dollar, or persons who acquired our shares of common stock through the exercise of an employee stock option or otherwise as compensation) subject to special treatment under the U.S. federal income tax laws, and is not tax advice.

This summary generally does not address tax consequences to persons who are not "U.S. stockholders." In general, a "U.S. stockholder" is a person (other than a partnership or entity treated as a partnership for U.S. federal income tax purposes) who or that is, for U.S. federal income tax purposes, (a) a citizen or resident of the United States, (b) a corporation (including an entity treated as a corporation for U.S. federal income tax



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purposes) created or organized in or under the laws of the United States, any of its states or the District of Columbia, (c) an estate whose income is subject to U.S. federal income taxation regardless of its source or (d) any trust if (1) a court is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a United States person. If a partnership or entity treated as a partnership for U.S. federal income tax purposes holds shares of our common stock and participates in the Plan, the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership that holds shares of our common stock and participates in the Plan, you should consult your tax advisor regarding the tax consequences to you of the partnership's participation in the Plan.

The information in this section is based on the Internal Revenue Code of 1986, as amended (the "Code"), existing, temporary and proposed regulations under the Code, the legislative history of the Code, current administrative rulings and practices of the Internal Revenue Service (the "IRS"), and court decisions, all as of the date hereof. We cannot assure you that new laws, interpretations of law, or court decisions, any of which may take effect retroactively, will not cause any statement in this section to be inaccurate. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. We have not sought and will not seek an advance ruling from the IRS regarding any matter in this prospectus.

If you participate in the dividend reinvestment feature under the Plan, you will be treated for U.S. federal income tax purposes as having received, on the investment date, a distribution in an amount equal to the sum of (a) the fair market value of the shares of our common stock on the date the shares were acquired with reinvested dividends, (b) your pro rata share of any brokerage commissions paid by us in connection with the purchase of our common stock by the Agent from parties other than us, either on the open market or in privately negotiated transactions, and (c) any cash distributions actually received by you with respect to your shares of our common stock not included in the Plan. The tax basis of shares of our common stock purchased under the Plan will be equal to the fair market value of the shares of our common stock on the date the shares were acquired plus your pro rata share of any brokerage fees paid by us.

Although the treatment of direct stock purchase programs is not entirely clear, if you participate in the direct stock purchase feature and the dividend reinvestment feature under the Plan, based on a private letter ruling issued to another REIT, it is expected that you will be treated for U.S. federal income tax purposes as having received, on the investment date, a distribution equal to the excess, if any, of the fair market value of shares of our common stock on the investment date over the amount of your optional cash payment. In addition, you will be treated as having received a distribution equal to your pro rata share of any brokerage commissions paid by us in connection with the purchase of common stock by the Agent from parties other than us. If you are only in the optional cash investment feature of the Plan, and not participating in the dividend reinvestment option under the Plan, we intend to treat any discount on the fair market value of shares of our common stock offered as a distribution from us equal to the amount of the discount. If no discount on the fair market value of share of our common stock is offered, consistent with the conclusion reached by the IRS in a private letter ruling issued to another REIT, we intend to take the position that you will not be treated as having received a distribution from us. However, because the private letter ruling was not issued to us, we have no legal right to rely on its conclusion. Accordingly, the tax treatment of a purchase of shares of our common stock under the Plan may differ depending on whether you are participating in the dividend reinvestment feature of the Plan. Shares acquired through the stock purchase feature under the Plan should have a tax basis equal to the amount of the payment plus the total amount of distributions, if any, you are treated as receiving as described above.

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Distributions that you receive as a result of dividend reinvestment and/or optional stock purchases will be taxable as dividends and/or as a distribution that reduces the tax basis in your shares of our common stock or is treated as gain from the sale of common stock as discussed in the accompanying prospectus under “Material U.S. Federal Income Tax Considerations—Taxation of Taxable U.S. Stockholders” and “—Taxation of Non-U.S. Stockholders.” As discussed in Item 9B of our Annual Report on Form 10-K for the year ended December 31, 2017, individuals, trusts and estates may be able to deduct 20% of “qualified REIT dividends” they receive, which generally include any REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income, which in each case are already eligible for capital gain tax rates. Dividends received by corporate stockholders will not be eligible for the dividends received deduction. Your holding period for shares of our common stock acquired pursuant to either program under the Plan will begin on the day following the investment date.

You will not realize any taxable income upon receipt of certificates for whole shares of our common stock credited to your account, either upon your request for certain of those shares or upon termination of participation in the Plan. You will realize gain or loss upon the sale or exchange of shares of our common stock acquired under the Plan. You will also realize gain or loss upon receipt, following termination of participation in the Plan, of a cash payment for any fractional share equivalent credited to your account. The amount of any such gain or loss will be the difference between the sum of the amounts that you received for the shares and any fractional share equivalent and the tax basis thereof. See “Material U.S. Federal Income Tax Considerations—Taxation of U.S. Stockholders—Taxation of U.S. Stockholders on the Disposition of Capital Stock” and “—Taxation of Non-U.S. Stockholders” in the accompanying prospectus.

Consistent with the conclusion reached by the IRS in a private letter ruling issued to another REIT, we intend to take the position that costs of administering the Plan that are paid by us do not constitute a distribution which is either taxable to you or which would reduce your tax basis in your shares of our common stock. However, since the private letter ruling was not issued to us, we have no legal right to rely on its conclusions. Thus, it is possible that the IRS might view your share of the costs as constituting a taxable dividend to you and/or a distribution which reduces the tax basis in your shares of our common stock or is treated as gain from the sale of shares of our common stock. For this or other reasons, we may in the future take a different position with respect to the costs of administering the Plan.

#### 31. What is the Company’s and Agent’s responsibility under the Plan?

Neither we nor the Agent nor its nominees, in administering the Plan, will accept liability for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability arising out of failure to terminate a participant’s account upon such participant’s death prior to receipt of notice in writing of such death.

Neither we nor the Agent can assure you of a profit or protect you against a loss on shares purchased under the Plan.

#### 32. How are income tax withholding provisions applied to participants?

In the case of foreign participants who elect to have their dividends reinvested or who elect to make optional Withholding taxes and backup withholding will apply to dividends that are subject to the dividend reinvestment feature of the Plan in the same manner as withholding taxes and backup withholding apply to cash dividends. See “Material U.S. Federal Income Tax Considerations—Information Reporting Requirements and Withholding” in the accompanying prospectus. In the case of foreign participants who elect to have their dividends reinvested or who elect to make optional cash payments and whose dividends are subject to U.S. federal income tax

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withholding, an amount equal to the dividends payable to such participants who elect to reinvest dividends, or the amount of the optional cash payment made by a participant, less the amount of tax required to be withheld, will be applied by the Agent to the purchase of shares of our common stock. A Form 1042-S, mailed to each foreign participant after the final purchase of the calendar year, will show the amount of tax withheld in that year.

#### 33. May the Plan be changed or discontinued?

We reserve the right to modify, suspend or terminate the Plan at any time. All participants will receive notice of any such action. Any such modification, suspension or termination will not, of course, affect previously executed transactions. We also reserve the right to adopt, and from time to time change, such administrative rules and regulations (not inconsistent in substance with the basic provisions of the Plan then in effect) as it deems desirable or appropriate for the administration of the Plan. The Agent reserves the right to resign at any time upon reasonable written notice to us.

The purpose of the Plan is to provide stockholders with a systematic and convenient method of investing dividends and optional cash payments for long-term investment. Use of the Plan for any other purpose is prohibited.

We reserve the right to return optional cash payments to subscribing stockholders if, in our opinion, the investment is not consistent with the purposes of the Plan. Stockholders who establish multiple accounts to circumvent the \$1,000 per month limit on optional cash investments are subject to our right to return all optional cash payments.

#### SPECIAL RULES TO PROTECT THE COMPANY'S STATUS AS A REIT UNDER THE PROVISIONS OF THE CODE

We reserve the right not to issue shares under the Plan to any stockholder holding more than 3% of our common stock. These stockholders may use the Plan both for dividend reinvestment and for optional cash payments but no shares will be issued to any stockholder if the issuance could cause us to fail to qualify as a REIT under the Code. Our decision in this regard is final and the particular stockholders' only right shall be the return of any optional cash payment and the return of dividends in cash.

We also reserve the right to return optional cash payments to subscribing stockholders if, in our opinion, the investment is not consistent with the purposes of the Plan. This provision can also be invoked to prevent any stockholder from creating multiple optional cash payment accounts. The purpose of the Plan is to provide stockholders with a systematic and convenient method of investing dividends and optional cash payments for long-term investment. Use of the Plan for any other purpose is prohibited.

#### USE OF PROCEEDS

We have no basis for estimating precisely either the number of shares of our common stock that ultimately may be sold pursuant to the Plan or the prices at which such shares will be sold. However, we propose to use the net proceeds from the sale of shares of our common stock pursuant to the Plan, when and as received, to purchase additional properties in the ordinary course of business and for general corporate purposes, including the possible repayment of indebtedness. We cannot predict with certainty how much of the proceeds from the sale of our common stock pursuant to the Plan will be used for any of the above purposes. Until we use the net proceeds from the sale of shares of our common stock pursuant to the Plan, they may be deposited in interest bearing cash accounts or invested in marketable securities, including securities that may not be investment grade. We consider the Plan to be a cost-effective means of expanding its equity capital base and furthering its investment objectives while at the same time benefiting holders of shares of our common stock.