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STRAIGHTPATH
CONNECTING PEOPLE WITH INTEGRITY

ADDITIONAL INFORMATION FOR STRAIGHT PATH STOCKHOLDERS

STRAIGHT PATH TRUST–SUMMARY

On October 24, 2017, Straight Path Communications Inc., a Delaware corporation (the "Company"), entered into a Settlement Agreement and Release (the "Settlement Agreement") with IDT Corporation, a Delaware corporation ("IDT"), PR-SP IP Holdings LLC, a Delaware limited liability company ("Assignee"), and Straight Path IP Group, Inc., a Delaware corporation (which was subsequently converted into a Delaware limited liability company and renamed SPIP Litigation Group, LLC, "SPIP"), upon the terms of the binding term sheet entered into between the Company and IDT on April 9, 2017, and pursuant to which the Company and IDT each granted a complete and final mutual release of potential indemnification claims asserted by each of the Company and IDT in connection with liabilities that may exist or arise relating to the subject matter of the investigation by (including but not limited to fines, fees or penalties imposed by) the Federal Communications Commission (the "Mutual Release"). IDT paid the Company an aggregate amount of $16 million in cash, of which $10 million will be allocated toward the settlement of claims and in consideration of the Mutual Release and $6 million will be allocated to the transfer of shares of Straight Path IP Group Holding, Inc. ("New SPIP"), which holds the majority of the equity of SPIP, held by the Company to IDT.

SPIP holds intellectual property primarily related to communications over computer networks. IDT or Assignee will manage the business of SPIP, pursuant to an amended and restated limited liability company agreement (the "LLC Agreement"), which consists of asserting, defending and prosecuting patent rights (including ownership, license or other rights) owned by SPIP. The Company retained an equity interest in SPIP (the "Class B Interest") representing an entitlement to 22 percent of the net proceeds, if any, received by SPIP from any license, transfer or assignment of any of the patent rights held by SPIP, or any settlement, award or judgment involving any of the patent rights (including any net proceeds received after the closing of the merger of the Company with Waves Merger Sub I, Inc., a subsidiary of Verizon Communications Inc. (the "Merger")). Concurrently with the entry into the Settlement Agreement, the Company formed a Delaware statutory trust (the "Trust") and named the independent directors of the Company as the initial independent trustees of the Trust. The Company agreed to contribute to the Trust (a) $4.5 million in cash and (b) its Class B Interest representing an entitlement to 22 percent of the net proceeds from the SPIP patent portfolio as described above. The stockholders of the Company as of the Record Date (as defined below) will be named as the beneficiaries of the Trust, and will therefore be indirectly entitled to receive 22 percent of net proceeds, if any, from the SPIP patent portfolio. The stockholders of the Company as of the Record Date will remain the beneficiaries of the Trust after the closing of the Merger. Any distributions from the Trust to beneficiaries will be subject to withholding for expenses and other charges and net of any and all applicable taxes. For beneficiaries who hold their shares of Straight Path common stock in "street name," such beneficiaries will receive any net proceeds distributed by the Trust through their broker. The Settlement Agreement was negotiated and approved by a special committee of the independent directors of the Company.

The Company announced on December 20, 2017 that its special committee of independent directors has authorized and declared that 5:00 p.m. Eastern Time on January 3, 2018 shall be the record date for determination of the stockholders designated as beneficiaries under the Trust (the "Record Date"); *provided*, that the independent trustees of the Trust (currently the special committee of independent directors) retain the right to change or postpone the Record Date. The Company's Class A and Class B stockholders as of the Record Date will be designated as beneficiaries of the Trust in proportion to such stockholder's *pro rata* ownership interest in the Company's common stock as of the Record Date. The designation will be effective as of January 4, 2018. The beneficial interests in the

Trust will not be transferable, except in limited circumstances pursuant to operation of law. There can be no assurance that any net proceeds will become available or that any distributions will be made.

The beneficiaries of the Trust, in their capacities as beneficiaries, will not be stockholders or members of the Company, SPIP or IDT and will have no rights with respect to, or interest in, such entities (other than an indirect interest in SPIP through the Class B Interest held by the Trust). The Declaration of Trust governing the Trust (the "Trust Agreement") provides for one Delaware trustee, one administrative trustee and no fewer than two independent trustees. The Delaware trustee and the administrative trustee are both Wilmington Trust, National Association. The initial independent trustees of the Trust are the three independent directors of the Company as of October 24, 2017: K. Chris Todd, William F. Weld and Fred S. Zeidman. The independent trustees can remove and appoint successor Delaware trustees and/or administrative trustees. Beneficiaries of the Trust will have no right to vote to appoint, remove or replace the independent trustees. The administrative trustee and the independent trustees have exclusive and complete authority to conduct the affairs of the Trust subject to, and in accordance with, the terms of the Trust Agreement.

The administrative trustee will be responsible for sending the following reports to the beneficiaries: (i) annual unaudited financial statements of the Trust; (ii) quarterly reports containing new publicly available information on the assertion, defense and prosecution of the patent portfolio by SPIP; (iii) a report stating any changes in the independent trustees; and (iv) any extensions of the term of the Trust in accordance with the terms of the Trust Agreement. The Trust will exist until the Trust's interests in SPIP are terminated, or there are no distributions to be made under the terms of the Trust Agreement, or after three years, whichever event occurs first, provided that the independent trustees, in their sole discretion may, at any time and from time to time, choose to extend the term of the Trust for additional three year periods. If the Trust dissolves and winds up, beneficiaries will receive their *pro rata* portion of any remaining amount left in the Trust after expenses and fees are paid.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is for general information only and sets forth certain U.S. federal income tax considerations for holders who receive a beneficial interest in the Trust (a "Trust Interest") and hold the Trust Interest as a capital asset. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to a holder of a Trust Interest in light of its particular circumstances or to a holder subject to special rules, such as certain financial institutions, insurance companies, certain former citizens or residents of the United States, traders or dealers in securities, investors holding the Trust Interest as part of a hedging, straddle, conversion, or synthetic security transaction, U.S. investors whose functional currency is not the U.S. dollar, tax-exempt persons (except as described below), regulated investment companies or persons who receive Trust Interests in connection with the exercise of employee options or other compensation arrangements.

This discussion reflects current U.S. federal income tax laws and Treasury regulations and administrative and judicial interpretations thereof. Changes to any of these that occur after the date of this document may affect the tax considerations that we describe herein, in some instances retroactively. We caution that Congress recently has issued tax reform proposals; any law enacted could significantly change the tax considerations described below. There are no authorities considering the tax treatment of instruments that are substantially similar to the Trust Interests. As a result, their tax treatment is not certain, and could differ substantially from the tax treatment described below. No ruling has been requested from the Internal Revenue Service ("IRS") as to the U.S. federal income tax treatment of the Trust Interests. There can be no assurance that the IRS will take the same views as those described below regarding the U.S. federal income tax considerations of the distribution and ownership of the Trust Interests, or that a court would not uphold any differing views of the IRS.

As used herein, a "U.S. holder" means a beneficial owner of a Trust Interest that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for these purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons have the authority to control all substantial decisions of the trust or (y) it has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. A "non-U.S. holder" is a beneficial owner of the Trust Interest that is neither a U.S. holder nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds a Trust Interest, 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. A partnership holding a Trust Interest and partners in such partnership should consult their tax advisors about the U.S. federal income tax considerations of the distribution and ownership of the Trust Interests.

Holders of Trust Interests are urged to consult their own tax advisors regarding the U.S. federal, state, local and, if applicable, non-U.S. tax considerations to them in their particular situation with respect to the distribution and ownership of the Trust Interests.

Classification of the Trust and SPIP

Under current law and assuming ongoing compliance with the terms of the LLC Agreement and the Trust Agreement and the restrictions on beneficial ownership and transfers of the Trust Interests, it is intended that (i) the Trust should not be treated as an association taxable as a corporation or as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes; and (ii) SPIP should be treated as a partnership that is not a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. Thus, although their ultimate tax treatment is not certain, the intent is that the Trust and SPIP should not be taxable entities for U.S. federal income tax purposes and should not incur entity-level U.S. federal income tax liabilities.

SPIP should not be treated as a publicly traded partnership that is taxable as a corporation for U.S. federal income tax purposes so long as the Trust Interests are not treated as readily tradable on a secondary market or the substantial equivalent thereof. The Trust Agreement states that the Trust Interests are uncertificated and unregistered instruments and non-transferrable interests (except upon the death of a holder or pursuant to certain involuntary transfers). As such, it is intended that the Trust Interests not be considered readily tradable on a secondary market or substantial equivalent thereof. However, if, contrary to such intention, it were determined by the IRS that the Trust Interests were readily tradable on a secondary market or the substantial equivalent thereof, SPIP could potentially be treated as a publicly traded partnership that is taxable as a corporation for U.S. federal income tax purposes. If SPIP were taxable as a corporation, there would be an entity-level tax on SPIP and the amount of distributions available to holders of the Trust Interests would be substantially reduced.

Based upon the foregoing, the discussion below assumes that for U.S. federal income tax purposes the Trust will be classified as a grantor trust and SPIP will be classified as a partnership. By receiving a Trust Interest, a U.S. holder agrees that it will treat the Trust as a grantor trust and SPIP as a partnership for U.S. federal income tax purposes and will treat the Trust Interest as an undivided beneficial ownership interest in the Class B Interest held by the Trust, unless otherwise required by law or unless the Trust notifies holders that it has been advised to treat the Trust or SPIP in a different manner. By receiving a Trust Interest pursuant to the distribution by the Company, a holder also agrees to report income from holding the Trust Interest in a manner consistent with the information provided to the holder on behalf of or with respect to SPIP and the Trust.

Holders of Trust Interests should also be aware that, as a result of certain features of the Trust (such as retaining amounts), holders may be required to report taxable income prior to the receipt of cash distributions from the Trust that correspond to such income and certain expenses of the Trust may not be deductible by them.

Tax Considerations for U.S. Holders

Distribution of the Trust Interests

The Trust Interests will be distributed to holders in respect of their stock in the Company. The amount of the distribution will be equal to the fair market value of the Trust Interest received by a U.S. holder as of the time of the distribution. The fair market value of a Trust Interest is not entirely certain. The valuation by the Company of the Trust Interests for tax purposes should become available to holders through the tax reporting process described below in "—Information Reporting and Backup Withholding."

The amount of the distribution will be treated as a dividend for U.S. federal income tax purposes to the extent paid from the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Under current law, certain non-corporate U.S. holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of dividends. If the amount of the distribution exceeds the Company's current and accumulated earnings and profits, such excess amount will first be treated as a tax-free return of capital to the extent of, and will correspondingly reduce, the tax basis of the stock in the Company held by a U.S. holder and, thereafter, will be treated as capital gain from the sale or exchange of such Company stock. Any such capital gain generally will be long-term capital gain if the U.S. holder has held the stock of the Company for more than one year as of (and including) the date of the distribution.

A U.S. holder's tax basis in the Trust Interest received pursuant to the distribution will be equal to its fair market value on the date of the distribution, and the holding period for the Trust Interest will begin on the day immediately succeeding the date the Trust Interest is received.

Notwithstanding the foregoing, if the distribution of the Trust Interest were viewed as an "open" transaction (because the value of the Trust Interest is too speculative and thus not reasonably determinable), a U.S. holder would not report the distribution of the Trust Interest as described above and correspondingly would not initially have any tax basis in the Trust Interest. However, such holder would report income from the ownership of the Trust Interests as described below. You should be aware, however, that applicable Treasury regulations indicate that a transaction may be considered an "open" transaction only in rare and extraordinary cases involving sales or exchanges for an obligation with speculative payments where the fair market value of the obligation cannot be reasonably ascertained. Thus, we caution that the IRS likely would take the position that the "open" transaction method of reporting is not available for the Trust Interests. Further, holders should be aware that, at present, the Company does not intend to treat the distribution of the Trust Interest as an open transaction for tax reporting purposes.

Ownership of the Trust Interests

Allocations

U.S. holders of Trust Interests generally will be treated as beneficial owners of a partnership interest for U.S. federal income tax purposes (the Class B Interest) and will be required to take into account for each year their allocable share of SPIP's taxable income or loss and other items. The LLC Agreement will determine a U.S. holder's distributive share of SPIP's income, gain, deduction, loss and other items for U.S. federal income tax purposes, which will be taken into account by the U.S. holder in computing its U.S. federal income tax liability. Deductions or losses allocated to U.S. holders may be subject to limitations on their deductibility by them under the U.S. federal income tax laws.

Non-Liquidating Distributions under the Trust Interest

Generally, distributions of cash received by a U.S. holder in respect of a Trust Interest (other than pursuant to a redemption or liquidation of the Trust Interest, which is described below) will not be taxable to the U.S. holder except to the extent that the amount of cash distributed exceeds the U.S. holder's adjusted tax basis in the Trust Interest. A U.S. holder's adjusted tax basis in the Trust Interest generally will equal the fair market value of the Trust Interest at the time received by the U.S. holder (as described above): (i) increased by the U.S. holder's allocable share of any taxable income or gain as described above and any portion of any liabilities of SPIP that are allocable to the U.S. holder, and (ii) decreased, but not below zero, by the U.S. holder's allocable share of any deduction or loss of SPIP, and by the amount of any cash and the tax basis of any property of SPIP distributed to the U.S. holder. Cash distributions in excess of a U.S. holder's adjusted tax basis in the Trust Interest generally will be treated in the same manner as gain from a taxable disposition of the Trust Interest in accordance with the rules described below under "—Redemption or Liquidation of the Trust Interest" subject to special rules involving unrealized receivables and depreciation recapture for partnerships under the U.S. Internal Revenue Code of 1986, as amended (the "Code") that could potentially apply to SPIP.

Redemption or Liquidating Distributions under of the Trust Interest

In accordance with the terms of the Trust Agreement, a holder of a Trust Interest may not sell, exchange, transfer or otherwise dispose of a Trust Interest unless such Trust Interest is either (i) redeemed by the Trust or the Trust is liquidated, or (ii) transferred pursuant to the death of such holder or certain other involuntary transfers.

Generally, a distribution of cash received by a U.S. holder in respect of a redemption of the Trust Interest or a liquidation of the Trust (in connection with a redemption of the Class B Interest held by the Trust or a liquidation of SPIP) will not be taxable to the U.S. holder, except that a U.S. holder will recognize gain to the extent that the amount of cash received exceeds the U.S. holder's adjusted tax basis in the Trust Interest. In general, to the extent that the distribution of cash does not exceed the U.S. holder's adjusted tax basis in the Trust Interest, such U.S. holder may recognize a loss. Any capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period in the Trust Interest is more than one year at the time of the redemption or liquidation. The foregoing discussion of gains and losses is subject to special rules involving unrealized receivables and depreciation recapture for partnerships that could apply to SPIP. Under current law, certain non-corporate U.S. holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. A U.S. holder's ability to offset capital losses against ordinary income is limited under the U.S. federal income tax laws.

U.S. holders that are tax exempt organizations under U.S. federal income tax laws ("Tax Exempt U.S. holders") should be aware that owning a Trust Interest may cause such holders to be treated as receiving "unrelated business taxable income" ("UBTI"). A Tax Exempt U.S. holder's share of the income or gain that is treated as UBTI may not be offset by losses of the Tax Exempt U.S. holder unless such losses are treated as attributable to an unrelated trade or business. Tax-Exempt U.S. holders should consult their tax advisors regarding the potential receipt of UBTI from the ownership of the Trust Interests.

Information Reporting and Backup Withholding

The Trust and SPIP

The Trust will furnish to each holder, as soon as reasonably practicable after the close of each calendar year, tax information (including Schedule K-1), which describes a holder's share of income, gain, loss and deduction for SPIP's preceding taxable year. It may take longer than 90 days after the end of SPIP's taxable year to obtain the requisite information so that Schedule K-1s may be prepared by the Trust. For this reason, holders of a Trust Interest should anticipate the need to file annually with the IRS (and certain states) a request for an extension past April 15 or the otherwise applicable due date of their income tax return for the taxable year. In addition, it is possible that a holder of a Trust Interest will be required to file amended income tax returns as a result of adjustments to items on the corresponding income tax returns of SPIP. In addition, each holder of a Trust Interest will be required to report for all tax purposes consistently with the information provided by the Trust for the taxable year, except in the case of potential alternative reporting of the distribution of the Trust Interest described above.

SPIP may be audited by the IRS. Adjustments resulting from an IRS audit may require a holder to adjust a prior year's tax liability and possibly may result in an audit of such holder's own tax return. Any audit of a U.S. holder's tax return could result in adjustments not related to SPIP's tax returns as well as those related to SPIP's tax returns.

Backup Withholding

Backup withholding of U.S. federal income tax may apply to distributions or payments made with respect to a Trust Interest, including payments of proceeds from the taxable redemption or liquidation of the Trust Interest, to holders that are not "exempt recipients" and that fail to provide certain identifying information (such as the taxpayer identification number of the U.S. holder) in the manner required. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Backup withholding is not an additional tax. Any amounts withheld from payments made to holders may be refunded or credited against their U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Tax Considerations for Non-U.S. Holders

Distribution of the Trust Interest

The distribution of the Trust Interests will be treated as a dividend to the extent of the Company's earnings and profits (current and accumulated). Subject to the discussion in the following paragraph, to the extent treated as a dividend, the distribution of a Trust Interest to a non-U.S. holder will be subject to U.S. federal withholding tax at a rate of 30%, unless such rate is reduced pursuant to an applicable income tax treaty.

A non-U.S. holder that qualifies as a resident of a country with which the United States has an income tax treaty may qualify for an exemption from, or a reduced rate of, U.S. federal withholding tax. In general, this exemption or reduced rate of tax applies only to a non-U.S. holder that provides a properly completed IRS Form W-8BEN or W-8BEN-E claiming benefits under an applicable income tax treaty. A non-U.S. holder eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Ownership of the Trust Interests

U.S. Trade or Business

Non-U.S. holders should be aware that owning the Trust Interests may cause such holders to be treated as engaged in the conduct of a trade or business in the United States for U.S. federal income tax purposes, in which case the holder generally would be subject to U.S. federal income tax on a net basis as if such holder was a U.S. person and required to file a U.S. federal income tax return. However, if owning a Trust Interest does not cause such holders to be treated as engaged in the conduct of a U.S. trade or business then, depending on the type of income or gain of SPIP, distributions on the Trust Interests could potentially be subject to U.S. federal withholding tax at a 30% rate, subject to reduction pursuant to an applicable income tax treaty. The following discussion assumes that the non-U.S. holder will be treated as engaged in a U.S. trade or business as a result of owning a Trust Interest.

Given the potential U.S. federal income tax return filing and payment obligations resulting from U.S. trade or business status, non-U.S. holders should consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. tax considerations, including possibly under tax treaties, applicable to the direct ownership by you as a non-U.S. holder of a Trust Interest. Individual non-U.S. holders who are non-citizens and not residents of the United States also should consult their own tax advisors concerning the potential U.S. federal estate tax consequences with regard to the Trust Interests.

Allocations

Non- U.S. holders generally will be treated as beneficial owners of a partnership interest (the Class B Interest) for U.S. federal income tax purposes and will be required to take into account for each year their allocable share of SPIP's taxable income and other items. The LLC Agreement will determine a non-U.S. holder's distributive share of SPIP's income, gain, deduction, loss and other items for U.S. federal income tax purposes, which will be taken into account by the non-U.S. holder in computing its U.S. federal income tax liability. Deductions or losses allocated to non-U.S. holders may be subject to limitations under U.S. federal income tax laws.

A non-U.S. holder generally will be (1) required to file a U.S. federal income tax return for each year reporting its allocable share, if any, of income or loss of SPIP, and (2) required to pay U.S. federal income tax at regular U.S. federal income tax rates on any such income (to the extent not withheld by SPIP). Moreover, a corporate non-U.S. holder might be subject to a U.S. branch profits tax on its allocable share of its income. Further, under U.S. federal income tax laws, SPIP may be required to withhold on allocable income as a collection mechanism for U.S. federal income taxes payable by a non-U.S. holder. Any amounts withheld by SPIP would be creditable against such non-U.S. holder's U.S. federal income tax liability, and such non-U.S. holder could claim a refund from the IRS to the extent that the amount withheld exceeded such non-U.S. holder's U.S. federal income tax liability for the taxable year and other requirements are satisfied.

Non-Liquidating Distributions under the Trust Interests

Distributions of cash received by a non-U.S. holder in respect of a Trust Interest (other than pursuant to a redemption or liquidation of the Trust Interest, which is described below) generally will not be taxable to the non-U.S. holder, except to the extent that the amount of cash received exceeds the U.S. holder's adjusted tax basis, computed as described above, in the Trust Interest. Cash distributions in excess of a U.S. holder's adjusted tax basis in the Trust Interest generally will be treated in the same manner as gain from a taxable disposition of the Trust Interest, taxable in accordance with the rules described below under "—Redemption or Liquidating Distributions under the Trust Interest." Any distribution received by a non-U.S. holder that is a foreign corporation (or received by the Trust and attributable to such non-U.S. holder) may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Redemption or Liquidation Distributions under the Trust Interest

Distributions of cash received by a non-U.S. holder in respect of a redemption of the Trust Interest or a liquidation of the Trust (in connection with a redemption of the Class B Interest held by the Trust or a liquidation of SPIP) generally will not be taxable to the non-U.S. holder, except that a non-U.S. holder will recognize gain to the extent that the amount of cash received exceeds the non-U.S. holder's adjusted tax basis, computed as described above, in the Trust Interest. In general, to the extent that the distribution of cash does not exceed the non-U.S. holder's adjusted tax basis in the Trust Interest, such non-U.S. holder will recognize a loss and such loss may be subject to limitations under U.S. federal income tax laws.

Under current law, it is unclear whether any gain recognized by a non-U.S. holder on the redemption of the Trust Interest or the liquidation of the Trust would be subject to U.S. federal income tax (or whether any loss recognized would be available for U.S. federal income tax purposes). The IRS and prior rulings generally would treat such gain as effectively connected income and such non-U.S. holder would be subject to U.S. federal income tax on such gain (or such loss would be treated as effectively connected). However, a recent tax court ruling has taken the position that even if the non-U.S. holder is treated as engaged in a U.S. trade or business, such gain (and presumably loss) may nevertheless not be considered effectively connected income (in whole or in part) and therefore would not be subject to U.S. federal income tax. As part of the recent tax reform proposals being considered by Congress, there is a provision that, if enacted into law in its current form, generally would overturn this recent tax court ruling so that any such gain recognized by a non-U.S. holder on the redemption of the Trust Interest or in liquidation of the Trust would be treated as effectively connected income subject to U.S. federal income tax.

Foreign Account Tax Compliance Act

Additional withholding taxes may apply to certain types of payments made to "foreign financial institutions" (as defined in the Code) and certain other non United States entities. Specifically, a 30% withholding tax may be imposed on dividends on, and gross proceeds from the taxable redemption or liquidation of, a Trust Interest paid to a foreign financial institution or to a non financial foreign entity (including in certain instances where such institution or entity is acting as an intermediary), unless (1) the foreign financial institution undertakes certain diligence and reporting, (2) the non financial foreign entity either certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the U.S. Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S. owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to non compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have entered into an intergovernmental agreement with the United States governing these withholding taxes and reporting requirements may be subject to different rules.

Final Treasury Regulations provide that the withholding provisions described above will generally apply to payments of gross proceeds from a taxable redemption or liquidation of instruments on or after January 1, 2019.

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This discussion above is for general information only and does not represent tax advice to a particular Holder. Holders of Trust Interests should consult their own tax advisors regarding the U.S. federal, state, local and, if applicable, non-U.S. tax considerations to them in their particular situation with respect to the distribution and ownership of the Trust Interests.