



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
**SEC'S 301,302,305,312 AND OTHERS AS DETERMINED BY PERSONAL TAX COUNCIL**

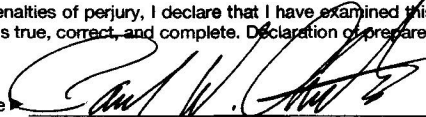
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18 Can any resulting loss be recognized? ▶  
**N/A**

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

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**Sign Here**  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.  
Signature ▶  Date ▶ 3/20/17  
Print your name ▶ **PAUL W CHUTE** Title ▶ **PRESIDENT**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

## Part II – Organizational Action

### CONSULT YOUR TAX ADVISOR

THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO PARTICULAR SHAREHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND MAY NOT BE APPLICABLE TO SHAREHOLDERS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES. NOR DOES IT ADDRESS TAX CONSEQUENCES WHICH MAY VARY WITH YOUR INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, YOU ARE URGED TO CONSULT YOUR TAX ADVISORS TO DETERMINE THE APPLICATION OF THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS TO YOUR INDIVIDUAL CIRCUMSTANCES AND THE PARTICULAR FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES OF THE DIVIDEND DISTRIBUTION TO YOU.

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action

On September 16<sup>th</sup>, 2016, Reg Technologies, Inc., the (Corporation) ( a British Columbia, Canada, registered and operating Company) entered into an asset purchase agreement with Regi U.S., Inc. (REGI). Pursuant to the Agreement, the Corporation agreed to sell all its Assets and REGI agreed to purchase all the Assets.

On November 18<sup>th</sup>, 2016, The "RECORD DATE" & "Declaration Date", A Majority of the shares outstanding for The Company, voted to confirm the Asset Sale.  
Ref; public news release of November 18<sup>th</sup>, 2016.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or a percentage of old basis.

On December 5<sup>nd</sup>, 2016, pursuant to its Form 8-K public filing with the United States Securities and Exchange Commission, REGI delivered to the Company, 50,596,043 unregistered common shares to close the purchase. These shares were recorded as deposited into a Direct Registration Statement (DRS), holding account with Nevada Agency and Transfer Company (NATCO), Reno, NV., being the Transfer Agent of REGI.

Each Shareholder of Company, of Record Date, December 18<sup>th</sup>, 2016 will receive 1.1 shares of REGI, listed on the OTC:QB as RGUS, for each share held in the Company.

These Shares will be distributed as a *Dividend in Kind* from The Company, via NATCO as Unregistered Common Shares. The actual time line process for this Distribution was dictated by approvals from the TSX. Venture exchange and the OTC. Financial Industry

Regulatory Authority. These approvals were completed on March 29th, 2017, with the share payment date of April 4<sup>th</sup>, 2017.

This Dividend in Kind only relates to actions of Reg Technologies, Inc. using shares of REGI as the form of compensation. Nothing within these transactions affect or relate to original REGI shareholders or their share value.

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

		OTC: RGUS Market Price
Record Date	November 18 <sup>th</sup> , 2016.	\$ .075
Declaration Date	November 18 <sup>th</sup> , 2016	\$ .075
Issued Date	December 5th, 2016	\$ .075
	(Dividend shares deposited at NATCO awaiting approval)	
Payment Date	April 4 <sup>th</sup> , 2017	