

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
GRAMERCY PROPERTY TRUST		56-2466617	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
JON W. CLARK	(215) 887-2280	INVESTOR@GPTREIT.COM	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
550 BLAIR MILL ROAD, SUITE 120		HORSHAM, PA 19044	
<b>8</b> Date of action		<b>9</b> Classification and description	
DECEMBER 30, 2016		COMMON STOCK - 1 FOR 3 REVERSE STOCK SPLIT	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
385002100		GPT	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**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 DECEMBER 30, 2016 GRAMERCY PROPERTY TRUST ("GPT") EFFECTED A ONE-FOR-THREE REVERSE STOCK SPLIT FOR ITS COMMON STOCK (THE "STOCK SPLIT"). PURSUANT TO THE STOCK SPLIT, EVERY THREE (3) SHARES OF ISSUED AND OUTSTANDING COMMON STOCK ("EXISTING COMMON STOCK") AUTOMATICALLY CONVERTED INTO ONE (1) SHARE OF NEWLY ISSUED COMMON STOCK ("NEW COMMON STOCK"). NO FRACTIONAL SHARES OF NEW COMMON STOCK WERE ISSUED IN THE STOCK SPLIT. INSTEAD, HOLDERS OTHERWISE ENTITLED TO RECEIVE A FRACTIONAL SHARE WERE TREATED AS THOUGH SUCH FRACTIONAL SHARE WAS REDEEMED FOR \$26.95 PER SHARE (POST-SPLIT), WHICH REPRESENTS THE AVERAGE CLOSING PRICE (POST-SPLIT ADJUSTED) OF THE COMPANY'S COMMON SHARES ON THE NEW YORK STOCK EXCHANGE FOR THE THREE CONSECUTIVE TRADING DAYS ENDING ON DECEMBER 30, 2016. TRADING ON A POST-SPLIT BASIS COMMENCED ON JANUARY 3, 2017.

**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 as a percentage of old basis ▶ THE STOCK SPLIT WILL BE TREATED AS A TAX-FREE REORGANIZATION. UNDER IRC SECTION 358(A), SHAREHOLDERS ARE REQUIRED TO ALLOCATE THEIR AGGREGATE TAX BASIS IN THE EXISTING COMMON STOCK HELD IMMEDIATELY PRIOR TO THE STOCK SPLIT AMONG THE NEW COMMON STOCK HELD IMMEDIATELY AFTER THE STOCK SPLIT, INCLUDING FRACTIONAL SHARES OF NEW COMMON STOCK. SHAREHOLDERS WHO RECEIVE CASH IN LIEU OF FRACTIONAL SHARES OF NEW COMMON STOCK WILL BE TREATED AS HAVING SUCH FRACTIONAL SHARES REDEEMED IN A TRANSACTION ASSUMED TO RESULT IN A SALE OF SUCH FRACTIONAL SHARES.

**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 ▶ ALTHOUGH A SHAREHOLDER'S AGGREGATE TAX BASIS REMAINS UNCHANGED IN THE STOCK SPLIT, SHAREHOLDERS WHO ACQUIRED SHARES OF EXISTING COMMON STOCK ON DIFFERENT DATES AND AT DIFFERENT PRICES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE ALLOCATION OF THE TAX BASIS OF SUCH SHARES TO THE NEW COMMON STOCK. IN GENERAL, A SHAREHOLDER'S TAX BASIS IN EXISTING COMMON STOCK MUST BE ALLOCATED TO THE NEW COMMON STOCK (OR ALLOCABLE PORTIONS THEREOF) IN A MANNER THAT REFLECTS, TO THE GREATEST EXTENT POSSIBLE, THE BASIS IN THE EXISTING COMMON STOCK THAT WAS ACQUIRED ON THE SAME DATE AND AT THE SAME PRICE. TO THE EXTENT IT IS NOT POSSIBLE TO ALLOCATE THE TAX BASIS IN THIS MANNER, THE AGGREGATE TAX BASIS IN THE EXISTING COMMON STOCK MUST BE ALLOCATED TO THE NEW COMMON STOCK (OR ALLOCABLE PORTIONS THEREOF) IN A MANNER THAT MINIMIZES THE DISPARITY IN THE HOLDING PERIODS OF THE EXISTING COMMON STOCK WHOSE BASIS IS ALLOCATED TO ANY PARTICULAR SHARES OF NEW COMMON STOCK. THIS MAY RESULT IN SOME SHARES OF NEW COMMON STOCK HAVING SPLIT HOLDING PERIODS AND SPLIT BASIS.

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_

IRC SECTION 354(a)

IRC SECTION 358(a)

IRC SECTION 368(a)

IRC SECTION 302(b)

IRC SECTION 1001

**18** Can any resulting loss be recognized? ▶ EXCEPT TO THE EXTENT OF CASH RECEIVED IN LIEU OF FRACTIONAL SHARES, SHAREHOLDERS GENERALLY WILL NOT RECOGNIZE GAIN OR LOSS AS A RESULT OF THE STOCK SPLIT. IN GENERAL, IF A SHAREHOLDER RECEIVES CASH IN LIEU OF FRACTIONAL SHARES, THE SHAREHOLDER WILL RECOGNIZE CAPITAL GAIN OR LOSS BASED ON THE DIFFERENCE BETWEEN THE AMOUNT OF CASH RECEIVED AND THE SHAREHOLDER'S ADJUSTED TAX BASIS IN THE FRACTIONAL SHARES.

SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES RESULTING FROM THE STOCK SPLIT.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE REPORTABLE TAX YEAR IS THE CALENDAR YEAR ENDING DECEMBER 31, 2016

ON JANUARY 3, 2017, THE COMMON SHARES WERE ASSIGNED A NEW CUSIP NUMBER: 385002308

**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 ▶ /s/ JON W. CLARK Date ▶ 1/20/2017

Print your name ▶ JON W. CLARK Title ▶ CHIEF FINANCIAL OFFICER

**Paid Preparer Use Only**

Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
<u>XXXXXXXXXX</u>	<u>1/17/2017</u>		<u>XXXXXXXXXX</u>
Firm's name ▶ <u>DELOITTE TAX LLP</u>		Firm's EIN ▶ <u>XXXXXXXXXX</u>	
Firm's address ▶ <u>555 W. 5TH STREET, SUITE 2700, LOS ANGELES, CA 90013</u>		Phone no. <u>XXXXXXXXXX</u>	