

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any matter referred to in this document or as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, solicitor, accountant, bank manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your ordinary shares of 1 penny each in the capital of Sandstone Residential REIT plc (the "**Company**") (the "**Ordinary Shares**") please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, the distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom you made the sale or transfer.

**SANDSTONE RESIDENTIAL REIT PLC
(the "Company")**

Incorporated in Scotland with registered number SC701230 and registered as an investment company under section 833 of the Companies Act 2006

NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF
SANDSTONE RESIDENTIAL REIT PLC (THE "AGM")
WILL BE HELD:**

Date of AGM: 1:00p.m. on Wednesday, 29 March 2023

Place of AGM: 14 Coates Crescent, Edinburgh, Scotland EH3 7AF

6 March 2023

LETTER FROM THE CHAIRMAN
SANDSTONE RESIDENTIAL REIT PLC

Incorporated and registered in Scotland with registered number SC701230 and registered as an investment company under section 833 of the Companies Act 2006

Directors
Peter Grant (Chairman)
Alan Robertson
Quinton Hill-Lines

Registered Office
14 Coates Crescent
Edinburgh
Scotland EH3 7AF

6 March 2023

Dear Shareholder

Annual General Meeting 2023

Following the publication of the Company's annual report and audited financial statements for the year ended 30 September 2022, please find enclosed the notice of the annual general meeting (the "**Notice of AGM**") of Sandstone Residential REIT plc (the "**Company**") which will be held at 14 Coates Crescent, Edinburgh, Scotland EH3 7AF at 1:00p.m. on Wednesday, 29 March 2023 (the "**AGM**"), to transact the business set out in the resolutions (the "**Resolutions**"), which are set out in full below.

The Notice of AGM sets out the business to be considered at the AGM and the purpose of this circular is to explain certain elements of that business to you and to outline the arrangements that will be in place at this year's AGM.

Proposed AGM Arrangements

As you may know, the Company is required by law to hold an annual general meeting within six months of its financial year end. The AGM will be held in person and the Board welcomes the opportunity to engage with those shareholders in the Company (the "**Shareholders**") who choose to attend the AGM this year.

The AGM will proceed as set out below:

- the AGM will be held in person at the offices of the Company, 14 Coates Crescent, Edinburgh, Scotland EH3 7AF;
- the Board are expected to be present at the AGM in person;
- there will be no presentation at the AGM, however, there will be an opportunity to ask questions of the Board at the AGM;
- the votes on the Resolutions to be proposed at the AGM will be conducted on a poll and the Chair of the meeting will vote in the poll in accordance with the proxies received by the Company in advance of the AGM; and
- the results of the poll votes will be published as soon as practicable following the conclusion of the AGM by way of a Regulatory Information Service ("**RIS**") announcement and on the Company's website <https://www.sandstoneuk.com/>.

If circumstances change before the AGM, or if legislation is enacted which would allow the Company to make alternative arrangements for the AGM, the Company will consider these changes and, if it is appropriate, notify shareholders of any changes to the proposed format for the AGM as soon as possible via an RIS announcement and on the Company's website.

The only action that you need to take now is to vote on the Resolutions by completing the accompanying form of proxy ("Form of Proxy") for use by Shareholders at the Annual General Meeting in connection with the Resolutions.

Whether or not Shareholders intend to attend the AGM, Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed on it and return it to Computershare Investor

Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event no later than 1:00p.m. on Monday, 27 March 2023.

Description of the Formal Business of the AGM

Ordinary Resolutions

1. Resolution 1: Receive the Annual Report and Financial Statements

The Companies Act 2006 (the "**Companies Act**") requires the directors of a public company to lay before the company in general meeting copies of the annual report, directors' report, independent auditors' report and audited financial statements in respect of each financial year. These are contained in the Company's annual report and audited financial statements for the year ended 30 September 2022 (the "**2022 Annual Report**"). Accordingly, a resolution to receive and adopt the 2022 Annual Report is included as an ordinary resolution.

2. Resolutions 2 - 4: Election of directors

It is the policy of the Board to stand for re-election on an annual basis. Each of the existing Directors, Alan Robertson and Peter Grant, will stand for re-election by the Shareholders by means of ordinary resolution and will retire from office with effect from the conclusion of the AGM unless re-elected.

Quinton Hills-Lane was appointed by the Board on 4 February 2023 and will stand for election by the Shareholders at the AGM by means of ordinary resolution.

Brief biographies of each member of the Board standing for election or re-election, as the case may be, can be found at <https://www.sandstoneuk.com/register?subpage=the-director-team>

The Board believes that each Director offering themselves for election or re-election, as the case may be, continues to make an effective and valuable contribution and demonstrates commitment to the role. Accordingly, the Board believes that each Director should continue to serve on the Board.

3. Resolutions 5 & 6: Appointment of auditors and auditors' remuneration

There is a requirement to appoint an auditor at each general meeting at which accounts are laid before a company, with the expectation that the auditor will then hold office until the next such meeting. In accordance with sections 489 and 492 of the Companies Act, Shareholders are required to approve the appointment of the Company's independent auditors each year and to determine or authorise the Directors to determine the auditors' remuneration. Resolution 5 relates to the appointment of RSM UK Audit LLP as the Company's independent auditors to hold office until the conclusion of the Company's next annual general meeting. This Resolution is endorsed by the Board. Accordingly, it is proposed, as an ordinary resolution, to appoint RSM UK Audit LLP as the Company's auditors. Similarly, Resolution 6 authorises the Directors to fix the auditors' remuneration.

4. Resolution 7: Directors' authority to allot Ordinary Shares

Resolution 7 is intended to give the Company authority to allot Ordinary Shares for cash or as consideration for the acquisition of investments. Accordingly, Resolution 7 authorises the Board to allot Ordinary Shares generally and unconditionally in accordance with section 551 of the Companies Act up to an aggregate nominal value of £6,145.31, representing approximately 20% of the issued Ordinary Share capital at the date of the Notice of AGM.

The Board believes that passing Resolution 7 is in Shareholders' interests given that these authorities are intended to be used to fund specific investment opportunities, either by issuing new shares for cash or as consideration for the acquisition of investments. In addition, new Ordinary Shares allotted under the authorities will increase the size of the Company, thereby spreading operating costs over a larger capital base which should reduce the ongoing charges ratio.

Ordinary Shares allotted under this authority will only be allotted at prices greater than the prevailing net asset value per share and a premium to cover the commissions, costs and expenses of the relevant allotment.

The authority granted pursuant to Resolution 7, shall expire on the earlier of the next annual general meeting of the Company or the date which is 15 months from the passing of the Resolution. The Directors consider it important to have the maximum flexibility commensurate with good corporate governance guidelines to raise finance to enable the Company to respond to market developments and conditions and therefore believes the authority sought to allot up to 20% of the existing issued ordinary share capital of the Company is appropriate.

Special Resolutions

5. Resolution 8: Disapplication of statutory pre-emption rights

When equity securities are to be allotted for cash, section 561 of the Companies Act provides that existing Shareholders have pre-emption rights and that the new equity securities must be offered first to such Shareholders in proportion to their existing holding of such securities. However, Shareholders can, by special resolution, authorise the Directors to allot equity securities otherwise than by a pro rata issue to existing Shareholders. Resolution 8 is a special resolution which is being proposed to empower the Directors to allot (or sell from treasury) equity securities for cash on a non pre-emptive basis up to an aggregate nominal value of £6,145.31, representing up to 20% of the Company's issued Ordinary Share capital as at the date of the Notice of AGM.

Resolution 8 is conditional on Resolution 7 being passed. In the event that Resolution 7 is not passed, Resolution 8 will not be proposed to the AGM.

No allotment (or sale from treasury) of Ordinary Shares for cash without pre-emption rights will be made at a price less than the prevailing net asset value per Ordinary Share at the time of the relevant allotment (or sale).

The powers granted by this Resolution will expire on the earlier of the conclusion of the Company's next annual general meeting or the date which is 15 months from the passing of the Resolution and will permit the Board to allot Ordinary Shares (or sell Ordinary Shares from treasury) after expiry of the disapplication if it has agreed to do so beforehand.

6. Resolution 9: Market purchases of own shares

This Resolution seeks authority for the Company to make market purchases of its own Ordinary Shares from time to time and is proposed as a special resolution. If passed, the Resolution gives authority for the Company to purchase up to 14.99% of the Company's issued Ordinary Share capital immediately prior to the passing of the Resolution (excluding treasury shares).

The Resolution specifies the minimum and maximum prices which may be paid for any Ordinary Shares purchased under this authority. The authority shall expire on the earlier of the next annual general meeting of the Company or, the date which is 15 months from the passing of the Resolution.

The Board does not currently have any intention of exercising any authorities granted by Resolution 9. In normal market circumstances the Directors intend to favour dividend distributions ahead of Ordinary Share repurchases in the market. However, if the Ordinary Shares have traded at a significant discount to the net asset value per Ordinary Share the Board may seek to prioritise the use of net income after the payment of dividends on market repurchases over other uses of capital. If the Board does decide that the Company should repurchase Ordinary Shares, purchases will only be made through the market for cash at prices below the estimated prevailing net asset value per Ordinary Share where the Directors believe such purchases will result in an increase in the net asset value per Ordinary Share and where the Board believes such purchases are in Shareholders' interests by addressing an imbalance in the demand and supply of Ordinary Shares available in the market at a particular point in time.

The Company may either cancel any Ordinary Shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

The Company does not have any options or outstanding share warrants

Action to be taken by Shareholders

The only action that you need to take is to vote on the Resolutions by completing the accompanying form of proxy ("Form of Proxy") for use by Shareholders at the Annual General Meeting in connection with the Resolutions.

Whether or not Shareholders intend to attend the AGM, Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed on it and return it to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event no later than 1:00p.m. on Monday 27 March 2023.

Appointment of a proxy will not prevent you from attending and voting in person at the Annual General Meeting should you wish to do so.

Proxy deadline and record date

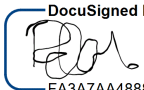
Date on which proxies must be received	1:00p.m. on Monday 27 March 2023
Record date to vote at the meeting	close of business on Monday 27 2023

Recommendation

The Board considers the passing of the Resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of all Resolutions.

Mr. Peter Grant, being the only Director who has a beneficial holding of Ordinary Shares, intends to vote in favour of the Resolutions in respect of his beneficial holding (amounting to 1,000,001 Ordinary Shares, representing approximately 32 per cent. of the issued share capital of the Company as at 6 March 2023).

Yours faithfully,

DocuSigned by:

FA3A7AA4888040C...
Peter Grant
Chairman

NOTICE OF ANNUAL GENERAL MEETING
SANDSTONE RESIDENTIAL REIT PLC

Incorporated in England and Wales with registered number SC701230 and registered as an investment company under section 833 of the Companies Act 2006

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Sandstone Residential REIT plc (the "**Company**") will be held at 1:00p.m. on Wednesday 29 March 2023, at the registered office of the Company, 14 Coates Crescent, Edinburgh, Scotland EH3 7AF to transact the business set out in the resolutions below.

As ordinary business to consider and, if thought fit, resolve the following:

(all as ordinary resolutions)

1. To receive and adopt the Annual Report and audited financial statements for the year ended 30 September 2022.
2. To re-elect Peter Grant as a director of the Company.
3. To re-elect Alan Robertson as a director of the Company.
4. To elect Quinton Hills-Line as a director of the Company.
5. To appoint RSM UK LLP as the Company's independent auditors to hold office from the conclusion of the annual general meeting of the Company until the conclusion of the next annual general meeting at which accounts are laid before the Company.
6. To authorise the directors of the Company to determine the independent auditors' remuneration.
7. THAT, in substitution for all existing authorities, in accordance with section 551 of the Companies Act 2006 (the "**Companies Act**"), the directors of the Company (the "**Directors**") be and are hereby generally and unconditionally authorised to allot ordinary shares of 1 penny each in the capital of the Company (the "**Ordinary Shares**") and to grant rights to subscribe for, or to convert any security into, Ordinary Shares ("**Rights**") up to an aggregate nominal amount of:

£6,145.31, being an amount equal to 20% of the existing nominal value of the issued Ordinary Share capital of the Company (excluding treasury shares) at the date of this Notice (3,072,654 Ordinary Shares);

Which authority shall expire on the date which is 15 months from the passing of this resolution or, if earlier the date of the next annual general meeting of the Company (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or to enter into an agreement which would or might require Ordinary Shares to be allotted or Rights to be granted after the expiry of such power and the Directors may allot Ordinary Shares and grant Rights in pursuance of such an offer or agreement as if such power had not expired.

As special business to consider and, if thought fit, resolve the following:

(as special resolutions)

8. THAT, subject to the passing of resolution 7, the directors of the Company (the "**Directors**") be and are hereby generally and unconditionally empowered pursuant to section 570 and section 573 of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the authority conferred by resolution 7 and/or by way of a sale of treasury shares (as defined in section 724 of the Companies Act ("**treasury shares**") as if section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that the power granted by this resolution shall:
 - a) be limited to the allotment or sale of equity securities up to an aggregate nominal amount of £6,145.31 (being 20% of the issued Ordinary Share capital of the Company as at the date of this notice); and
 - b) expire on the date which is 15 months from the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company (unless previously renewed, varied

or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell equity securities from treasury in pursuance of such an offer or agreement as if such power had not expired.

9. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "**Companies Act**") to make one or more market purchases (within the meaning of section 693(4) of the Companies Act) of ordinary shares of 1 penny each in the capital of the Company (the "**Ordinary Shares**") (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:
- a) the maximum aggregate number of Ordinary Shares that may be purchased is 460,591 (representing approximately 14.99% of the issued Ordinary Share capital of the Company as at 6 March 2023)
 - b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is 1 penny;
 - c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is an amount equal to the higher of:
 - i) 105% of the average of the closing mid-market value of an Ordinary Share in the Company for the five business days prior to the day the purchase is made; and
 - ii) the higher of:
 - a. the price of the last independent trade of an Ordinary Share; and
 - b. the highest current independent bid for an Ordinary Share; and
 - d) this authority shall expire on the date which is 15 months from the passing of this resolution, or, if earlier, at the conclusion of the Company's next annual general meeting, unless such authority is renewed, varied or revoked prior to that time and save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

Resolutions 1 to 6 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 7 to 9 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.


By order of the Board
JTC (UK) Limited
Company Secretary
6 March 2023

Registered Office
The Scalpel, 18th Floor, 52 Lime Street, London, EC3M
7AF

Notes:

1. A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf at the Annual General Meeting. A proxy need not be a member of the Company. Completion and return of a proxy appointment will not preclude members from attending and voting at the Annual General Meeting, if they wish.
2. To be valid, members must complete and return proxy appointments to the Registrar by completing and signing the Form of Proxy for use in relation to the Annual General Meeting, in accordance with the instructions printed thereon and returning by post, by courier or by hand to be received by the Registrar no later than 48 hours (excluding non- working days) before the time of the Annual General Meeting or any adjournment thereof.
3. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. Members may not appoint more than one proxy to exercise rights attached to any one Ordinary Share. To appoint more than one proxy, please contact the Company's Registrars, Computershare Investor Services PLC on [0370 703 0226](tel:03707030226) (from within the UK) or [+44 370 703 0226](tel:+443707030226) (from outside the UK).
4. Only those members having their names entered in the Company's register of members not later than 8.00 p.m. on 27 March 2023 or, if the Annual General Meeting is adjourned, 8.00 p.m. on the day which is two days (excluding non-working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the entries in the Company's register of members after that time shall be disregarded in determining the rights of any member to attend, speak and vote at the Annual General Meeting, notwithstanding any provision in any enactment, the articles of association of the Company or other instrument to the contrary.
5. Voting on all resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the annual general meeting, the results of the voting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a regulatory information service and also placed on the Company's website <https://www.sandstoneuk.com/>.
6. In the case of joint holders of an Ordinary Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
7. As at 6 March 2023 (being the last practicable date prior to the publication of the Notice) the Company's issued share capital consists of 3,072,654 Ordinary Shares of 1 penny each (none of which is held in treasury) carrying one vote each at an Annual General Meeting of the Company and 50,000 redeemable preference shares of £1.00 which do not entitle their holders to vote at an Annual General Meeting of the Company. Therefore, the total voting rights in the Company as at 6 March 2023 are 3,072,654.
8. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**Nominated Persons**"). Nominated Persons may have a right under an agreement with the member who holds the Ordinary Shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the Ordinary Shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.
9. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
11. A copy of the Notice of the Annual General Meeting and the information required by Section 311A of the Companies Act 2006 is included on the Company's website <https://www.sandstoneuk.com/investment/sandstone-reit>.