

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you have sold or otherwise transferred all your shares in DRUM Income Plus REIT plc (the "Company"), please send this document and the accompanying documentation at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee.

The Company and the Directors of the Company, whose names appear on page 2, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

---

## **DRUM INCOME PLUS REIT PLC**

*(A company incorporated and registered in England and Wales with registered number 9511797 and registered as an investment company under section 833 of the Company Act 2006)*

### **Related Party Transaction and Notice of General Meeting**

---

Notice of a General Meeting of the Company to be held at 10 a.m. on 8 August 2016 at 16 Charlotte Square, Edinburgh EH2 4DF is set out at the end of this document. The accompanying form of proxy for use at that General Meeting should be completed and returned as soon as possible and, to be valid, must arrive at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours (excluding non working days) before the time of the General Meeting.

Your attention is drawn to the section headed "Action to be taken" on page 4 of this document.

## PART I

### LETTER FROM THE CHAIRMAN OF THE COMPANY

# DRUM INCOME PLUS REIT PLC

*(A company incorporated and registered in England and Wales with registered number 9511797  
and registered as an investment company under section 833 of the Company Act 2006)*

#### *Directors*

John Evans (Chairman)  
Hugh Little  
Alan Robertson

#### *Registered Office*

Level 13  
Broadgate Tower  
20 Primrose Street  
London  
EC2A 2EW

14 July 2016

Dear Shareholder

### PROPOSED RELATED PARTY TRANSACTION

#### **Introduction and background**

Drum Income Plus REIT plc is a closed-ended investment company which was launched in May 2015 and whose assets are managed by Drum Real Estate Investment Management Limited (“DREIM”). The Company’s Ordinary Shares are listed on the Official List and traded on the Main Market. The Company entered the UK REIT regime with effect from 20 August 2015. The Company invests in UK commercial properties to achieve its objective of providing Shareholders with a regular dividend income plus the prospect of income and capital growth over the longer term. The Property Portfolio comprises seven properties which are located across the UK in the office and retail sector. The Property Portfolio has been valued by the Company’s independent Valuer, Savills (UK) Limited, and as at 30 June 2016 it had an aggregate Market Value of approximately £41.2 million.

The Board is making good progress in investing its available cash resources including its available Bank Facility. The Board is now proposing that the Group will acquire the Burnside Property, which is situated at Burnside Industrial Centre, Dyce, Aberdeen, for a mixture of cash and Shares. DREIM has identified this Burnside Property as being a suitable asset for the Company which is in accordance with the Company’s investment policy and return profile. It is currently owned by Drum Commercial Asset Investments Limited, a private limited company which is owned by Graeme Bone, the founder and principal owner of the Drum Property Group, which is the Asset Manager’s parent company, and as such is a related party to the Company under the Listing Rules. Due to the fact that the Burnside Property will be acquired from a related party of the Company, the proposed Burnside Acquisition is subject to the approval of Shareholders. In the event that the Resolution is passed at the General Meeting, the acquisition of the Burnside Property will be completed immediately thereafter on 9 August 2016.

The purpose of this document is to provide you with further details of the proposed Burnside Acquisition and to explain why the Directors believe that this acquisition is in the best interests of Shareholders as a whole. The General Meeting will be held on 8 August 2016 at 10 a.m. at 16 Charlotte Square, Edinburgh EH2 4DF. The notice convening the General Meeting can be found at the end of this document.

#### **The Property Portfolio and further details of the Burnside Property**

The Property Portfolio comprises seven UK commercial properties which have been valued as at 30 June 2016, by the Valuer, as having a Market Value of approximately £41.2 million. It generates a current gross contracted rent of approximately £3.4 million and has a weighted average unexpired lease term of 6.97 years to expiry.

Following the result of the Referendum held on 23 June 2016, which was a vote in favour of the United Kingdom leaving the European Union, it has not been possible to quantify the effect of this result by

reference to transactions in the market. Consequently, the probability of the Valuer's opinion exactly coinciding with the price achieved were there to be a sale has reduced.

Your Board, together with the Asset Manager and the Valuer, will therefore be keeping the valuation of the Property Portfolio under regular review.

The Burnside Property consists of six industrial units and an office building. It currently generates a gross contracted rent of approximately £325,000 and has a weighted average unexpired lease term of 2.87 years to expiry.

The Board believes that the Burnside Acquisition offers the opportunity for the Company to diversify further the Property Portfolio and to improve the prospects for income and capital growth in the medium term. In particular the Directors believe that, if implemented, this acquisition will:

- i. broaden the sector weightings of the Property Portfolio by introducing an exposure to the industrial sector;
- ii. introduce additional asset management opportunities and enable the Company to further enhance the overall investment characteristics of the Property Portfolio including the income return over the medium term; and
- iii. lower the Company's ongoing charges ratio by enabling the costs of the Company to be spread over a larger asset base.

#### **Further details of the Burnside Acquisition**

The Property Subsidiary has entered into a conditional acquisition agreement (the condition being the passing of the Resolution at the General Meeting) with the Drum Subsidiary to acquire the Burnside Property for a consideration, at valuation, of £2.6 million (excluding costs) which will be satisfied in part by the Company issuing 1.56 million Ordinary Shares, at the price of 100 pence per Ordinary Share (representing a premium of 7.6 per cent. to the Company's latest NAV per Share as at 31 March 2016), to the Drum Subsidiary and in part by the Property Subsidiary paying a cash sum of £1.04 million which it will draw down from the Group's Bank Facility. Drawdown under the Group's Bank Facility will be subject to certain conditions precedent including a second independent valuation of the Burnside Property which has already been obtained by the Bank.

Since the 1.56 million Ordinary Shares to be issued as part consideration for the Burnside Property are not being issued for cash, the Company must obtain, pursuant to section 593 of the Act, an independent valuation of the consideration received for such issue of 1.56 million Ordinary Shares. The Directors believe that the Company will receive such an independent valuation, in an acceptable form, from a firm of chartered accountants instructed for such purpose immediately prior to the issue of the 1.56 million Ordinary Shares.

As at the date of this document, the Group has drawn down £11.36 million from its existing Bank Facility. Following the Burnside Acquisition, £12.4 million, in total, would be drawn down from the Bank Facility and the Group's loan to value ratio would be approximately 30 per cent.

The Company's independent Valuers have valued the Burnside Property and as at 24 June 2016 the Market Value was £2.6 million. The value of property and property related assets is inherently subjective due to the individual nature of each property. As such, valuations are typically subject to substantial uncertainty.

Furthermore, following the Referendum held on 23 June 2016, the result of which was a vote in favour of the United Kingdom leaving the European Union, it has not been possible to quantify the effect of this result by reference to transactions in the market. As a result, the probability of the Valuer's opinion exactly coinciding with the price achieved were there to be a sale has reduced.

The unaudited NAV per Share, as at 31 March 2016, was 92.9 pence. Between 31 March 2016 and 30 June 2016, (without taking into account any potential effects of the outcome of the Referendum which have not been possible to quantify prior to the publication of this document) there has been an uplift in the valuations provided by the Valuer of approximately £600,000. As at 13 July 2016 (the latest practicable date prior to the publication of this document), the Company is not aware of any further transactional evidence which would materially affect the Company's NAV per Share.

The typical costs of acquiring commercial properties are approximately 6.7 per cent. in England, Wales and Northern Ireland and approximately 6.2 per cent. in Scotland of the purchase price thereof. In the light of the price of the Shares to be issued to the Drum Subsidiary, the final calculation of the NAV per Share as at 30 June 2016 and the costs and expenses of acquiring the Burnside Property, this acquisition may result in a reduction of the NAV per Share.

The Company has declared a third interim dividend of 1.3125 pence per Share for the quarter ending 30 June 2016 which will be paid on 26 August 2016 to the Company's existing Shareholders. The record date for this dividend is 29 July 2016 and as such the Ordinary Shares that are to be issued to the Drum Subsidiary pursuant to the Burnside Acquisition will not be entitled to this third interim dividend.

#### **Further information**

Your attention is drawn to the further information set out in Part II of this document.

#### **General Meeting**

Under the Listing Rules the Burnside Acquisition, given that it is a related party transaction, requires the approval of Shareholders. An ordinary resolution will therefore, be proposed, at the General Meeting, to approve this related party transaction. The Resolution requires the approval of a simple majority of the votes cast in respect of it. The Asset Manager has agreed to take all reasonable steps to ensure that its associates will not vote on the Resolution. You will find set out at the end of this document, a notice convening a General Meeting of the Company to be held at 10 a.m. on 8 August 2016 at 16 Charlotte Square, Edinburgh EH2 4DF.

#### **Action to be taken**

You will find enclosed with this document a form of proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete 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 so as to be received as soon as possible and, in any event, not later than 10 a.m. on 4 August 2016. Completion of a form of proxy will not prevent a Shareholder attending and voting at the General Meeting in person.

#### **Recommendation**

The Board, which has been so advised by Dickson Minto W.S. considers that the related party transaction is fair and reasonable so far as Shareholders are concerned. In providing its advice, Dickson Minto W.S. has taken into account the Board's commercial assessments. The Board also considers the passing of the Resolution 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 the Resolution to be put to the General Meeting as they intend to do so in respect of their own beneficial holdings (amounting to 200,000 Shares, representing approximately 0.6 per cent. of the issued share capital of the Company).

Yours faithfully

**John Evans**  
*Chairman*

## PART II

### ADDITIONAL INFORMATION

The Company was incorporated and registered in England and Wales on 26 March 2015 and is a public company limited by shares, with registered number 9511797. The Company operates under the Act (and the regulations from time to time made thereunder). Its registered office is at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is at 115 George Street, Edinburgh EH2 4JN (telephone number: 0131 225 9595). Save for its compliance with the Act (and the regulations from time to time made thereunder), the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the Company is not an authorised or regulated entity.

#### 1. Major Shareholders

- 1.1 As at 13 July 2016 (being the latest practicable date prior to the publication of this document) the Company is aware of the following persons who are directly or indirectly interested in 3 per cent. or more of the Company's issued share capital:

	<i>Number of Ordinary Shares as at the date of this document</i>	<i>Percentage of current issued Ordinary Shares</i>
TC Nominees (No. 1) Limited*	29,531,400	85.3%
Drum REIT LLP	2,000,000	5.8%

\* These Shares are held on behalf of the underlying beneficial shareholders and managed by a number of independent investment managers.

- 1.2 Save as described above as at 13 July 2016 (being the latest practicable date prior to the publication of this document), the Directors are not aware of any person who could, directly or indirectly, jointly or severally, own or exercise control over the Company or of any arrangements, the operation of which may result in a change of control of the Company.

#### 2. Significant changes

In the period from 31 March 2016 (being the end of the last financial period of the Company for which financial information has been published) to the date of this document, there has been no significant change in the financial or trading position of the Group. However, following the Referendum it has not been possible to quantify the effect of the result of this vote to leave the European Union by reference to transactions in the market. The Board, together with the Asset Manager and the Valuer, will therefore be keeping the valuation of the Property Portfolio under regular review.

#### 3. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by a member of the Group since the incorporation of the Company which are, or may be, material to the Group as at the date of this document:

- 3.1 The Company and the AIFM have entered into an agreement dated 28 April 2015 pursuant to which the AIFM is appointed to act as the Company's Alternative Investment Fund Manager.

The AIFM's duties under the AIFM Agreement with regard to portfolio management include, *inter alia*, complying with the Company's investment policy and keeping the Company's assets under review and generally providing investment advice to the Company in connection with treasury management and money market funds.

The AIFM has entered into the Asset Management Agreement with the Asset Manager. Pursuant to the terms of the Asset Management Agreement, the AIFM has delegated responsibility for sourcing acquisitions, identifying disposal opportunities and portfolio management services relating to the Company to the Asset Manager.

The AIFM's liability to the Company for all matters so delegated has not been affected thereby. The AIFM has, and shall maintain, the necessary expertise and resources to supervise effectively those tasks delegated to the Asset Manager.

Under the terms of the AIFM Agreement, the AIFM is also responsible for obtaining and maintaining from the Financial Conduct Authority or the Jersey Financial Services Commission all approvals necessary for the AIFM to be appointed and continue to act as Alternative Investment Fund Manager of the Company in accordance with the AIFMD; and is required to provide all such risk management services to the Company as are required by the AIFMD, including, *inter alia*, (i) the implementation of adequate risk management systems to identify, measure, manage and monitor appropriately all risks relevant to the Company's investment strategy and to which the Company is or may be exposed, (ii) the implementation of an appropriate, documented and regularly updated due diligence process when the Company makes investments, (iii) ensuring that the risks associated with each investment position of the Company and their overall effect upon the Property Portfolio can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures, (iv) the establishment and implementation of quantitative and qualitative risk limits for the Company, taking into account all relevant risks and (v) reviewing the risk management systems at least annually and adapting them where necessary.

Under the terms of the AIFM Agreement, the AIFM has agreed to act in good faith and with the reasonable skill and diligence expected of a competent and prudent investment manager and to act in the best interests of the Company. The AIFM Agreement contains an unlimited indemnity in favour of the AIFM against claims by third parties except to the extent that the claim is due to a breach by the AIFM of the AIFM Agreement or to the negligence, wilful default or fraud of the AIFM or any party to whom the AIFM has delegated any of its functions.

The AIFM Agreement may be terminated immediately if, among others, the AIFM is guilty of negligence, wilful default or fraud, is the subject of insolvency proceedings or both of the Key Men are no longer involved to a material extent in the management of the Group's assets and the Board has not given its prior consent to the change. The AIFM Agreement is terminable by any party on 12 months' written notice, provided that such notice shall expire no earlier than 29 May 2019 (being the fourth anniversary of the Company's launch), unless the Asset Manager is appointed as Alternative Investment Fund Manager. The AIFM Agreement further provides that the Company will pay to the AIFM a fixed fee of £15,000 per annum plus an annual portfolio management fee of 1.15 per cent. per annum of the Net Assets of the Company where such Net Assets are less than £150 million. In the event that the Net Assets are equal to or in excess of £150 million the annual portfolio Management fee will reduce to 1 per cent. of the Net Assets of the Company. The AIFM has agreed that the portfolio management fee will be paid to the Asset Manager. The Asset Manager has agreed to reduce its portfolio management fee under the AIFM Agreement, to the extent necessary to ensure that the annual expenses of the Company do not exceed 2.0 per cent. of the Net Assets.

- 3.2 The Company, the AIFM and the Asset Manager have entered into an asset management agreement dated 28 April 2015 pursuant to which the AIFM has delegated portfolio management services relating to the Company to the Asset Manager on the same terms as the AIFM Agreement. The Asset Management Agreement is terminable by any party on 12 months' written notice, provided that such notice shall expire no earlier than 29 May 2019 (being the fourth anniversary of the Company's launch). The AIFM has the power to instruct the Asset Manager and terminate the Asset Management Agreement with immediate effect when this is in the interests of investors.

In its capacity as asset manager, the Asset Manager is responsible for the property management of the assets of the Company including the sourcing of new real estate assets in the UK, the collection of rent and implementing the agreed property management strategy including maximising rental income at rent reviews, negotiating longer leases and the removal of tenant break options, instructing agents to re-let premises at lease expiries and where appropriate arranging for refurbishment to increase rental income or capital values as well as the day to day monitoring of the assets of the Company.

The AIFM has agreed that its portfolio management fee described above will be paid to the Asset Manager. During the refurbishment or development of properties it is customary to appoint a specialist third party advisor to manage such projects and pay to them project management fees in respect of such work. The Board may agree to appoint the Asset Manager as a project manager if it considers it to be in the best interests of the Company to do so. For such work the Asset Manager would receive an appropriate fee. To the extent any commissions arise from procuring insurance in respect of the properties held in the Company's portfolio, the Asset Manager would not be entitled to retain such commissions.

3.3 The Property Subsidiary and the Bank (in various capacities) have entered into the Facility Agreement dated 22 January 2016 whereby the Bank has agreed to make available a term loan facility of £20 million. Interest is payable by the Property Subsidiary at a rate equal to the aggregate of LIBOR, 1.1 per cent. per annum. The Bank Facility has a term of 18 months and is repayable on 22 July 2017. The Facility Agreement contains standard events of default and covenants for a bank facility of this nature. An Event of Default (as defined in the Facility Agreement) will be triggered if, *inter alia*, (i) the loan to value ratio exceeds 50 per cent. or (ii) if the net rental income in respect of all leases should fall below 2.5 times the amount of interest payable under the Facility Agreement over the period the net rental income is calculated.

3.4 The Company is a party to an administration and secretarial agreement with R&H Fund Services Limited dated 28 April 2015 pursuant to which the Administrator provides day-to-day administration of the Company and acts as secretary and administrator to the Company. In its capacity as administrator, the Administrator is responsible for the maintenance of accounts, preparing half yearly and annual accounts of the Company and calculating the net asset value of the Shares based on information provided to the Administrator by the Asset Manager.

A fixed fee of £75,000 per annum is payable by the Company to the Administrator. A further fee of 0.05 per cent. per annum of the total assets of the Company which exceeds £100 million, subject to a cap of £90,000 per annum, will be payable by the Company to the Administrator.

The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company.

The Administrator may delegate the whole or any part of its duties and responsibilities to an affiliate however such delegation does not affect the liability of the Administrator who shall remain at all times liable for the acts or omissions of its delegate as if such acts or omissions were its own.

This administration and secretarial agreement can be terminated by the Company or the Administrator on six months' written notice.

The administration and secretarial agreement may be terminated immediately if: (i) notice is given or filed in respect of the other party in relation to the appointment of an administrator, or a petition is presented or application made for an administration order; (ii) an order is made or a resolution passed to put the other party into liquidation (except a voluntary liquidation for the purpose of reconstruction, amalgamation or merger); (iii) the other party is unable to pay its debts as they fall due; (iv) a receiver is appointed to the undertaking of the other party or any part thereof; or (v) the parties agree.

3.5 By a letter dated 28 April 2015, TCAM have irrevocably undertaken to the Company that, at any time or times when TCAM together with its associates (as defined in the Listing Rules), are entitled to exercise, or to control 30 per cent. or more of the rights to vote at general meetings of the Company, they will not, and will exercise such rights as they may have to procure that none of their associates will:

- (a) seek to nominate directors to the Board who are not independent of TCAM or its associates;
- (b) take any action which would be detrimental to the general body of Shareholders;

- (c) take any action which may result in the AIFM, the Asset Manager or any other investment manager of the Company or its subsidiaries from time to time, not being able to carry out its duties independently of TCAM or its associates; or
- (d) take any action which may result in the Directors not being able to fulfil their duties as Directors independently of TCAM or its associates; or
- (e) enter into any transaction or relationship with the Company or its subsidiaries other than at an arm's length and on a normal commercial basis.

#### **4. Consent**

- 4.1 Dickson Minto W.S., which is authorised and regulated in the UK by the Financial Conduct Authority, has given and has not withdrawn its consent to the inclusion herein of its name and the reference to it in the form and context in which they appear.
- 4.2 Savills (UK) Limited, has given and has not withdrawn its consent to the inclusion herein of its name and the reference to it in the form and context in which they appear.

#### **5. Documents available for inspection**

- 5.1 Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and the registered office of the Company until close of business on 28 February 2017:
  - (i) the Memorandum and Articles of the Company;
  - (ii) the written consent referred to in paragraph 4 of this Part II; and
  - (iii) this document.

## DEFINITIONS

The meaning of the following terms shall apply throughout this document unless the context otherwise requires:

<b>Act</b>	the Companies Act 2006 (as amended from time to time)
<b>Administrator</b>	R&H Fund Services Limited, a company incorporated in England and Wales with registered number 07777299
<b>AIFM or investment manager</b>	R&H Fund Services (Jersey) Limited, a company incorporated in Jersey with registered number 42576
<b>AIFM Agreement</b>	the AIFM agreement between the Company and the AIFM dated 28 April 2015 and as amended by a side letter dated 12 February 2016 a summary of which is set out in paragraph 3.2 of Part II of this document
<b>AIFMD</b>	the EU Directive on Alternative Investment Fund Managers
<b>Articles</b>	the articles of incorporation of the Company
<b>Asset Management Agreement</b>	the asset management agreement between the Company, the AIFM and the Asset Manager dated 28 April 2015 and as amended by the side letter dated 12 February 2016 a summary of which is set out in paragraph 3.3 of Part II of this document
<b>Asset Manager or DREIM</b>	Drum Real Estate Investment Management Limited, a private limited company incorporated in Scotland with registered number SC475927
<b>Bank</b>	The Royal Bank of Scotland plc, a company incorporated in Scotland with registered number SC090312
<b>Bank Facility</b>	the £20 million revolving loan facility provided to the Company by the Bank pursuant to the Facility Agreement
<b>Board or Directors</b>	the directors of the Company
<b>Burnside Acquisition</b>	the acquisition, which is a related party transaction under the Listing Rules, from the Drum Subsidiary of the Burnside Property for a consideration (at valuation) of £2.6 million (excluding costs) which the Group will satisfy in part by the Company issuing 1.56 million Ordinary Shares at a price of 100 pence per Ordinary Share and in part by paying a cash sum of £1.04 million
<b>Burnside Property</b>	the industrial properties known as Units 1-6 Burnside Industrial Centre together with the office building situated at Wellshead Road, Dyce, Aberdeen AB21 7HG
<b>Company</b>	DRUM Income Plus REIT plc, a company incorporated in England and Wales with registered number 9511797
<b>Circular</b>	this document
<b>Disclosure and Transparency Rules</b>	the disclosure and transparency rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (as amended) as amended from time to time
<b>Drum Subsidiary</b>	Drum Commercial Asset Investments Limited, a private limited company with the registered number SC295026

<b>General Meeting</b>	the general meeting of the Company to be held at 10 a.m. on 8 August 2016 at which the Resolution will be proposed
<b>Facility Agreement</b>	the facility agreement in relation to the Bank Facility between, among others, the Bank in various capacities and the Property Subsidiary dated 22 January 2016
<b>Group</b>	the Company and the Property Subsidiary and any other direct or indirect subsidiary (as that term is defined in the Law) of the Company from time to time
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Listing Rules</b>	the listing rules made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 (as amended) as amended from time to time
<b>LTV</b>	Loan to Value
<b>Main Market</b>	the main market of the London Stock Exchange
<b>Market Value</b>	the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion
<b>Ordinary Shares or Shares</b>	the ordinary shares of 10 pence each in the capital of the Company
<b>Placing Agreement</b>	the placing agreement between the Company, the Asset Manager and the Placing Agent dated 26 February 2016
<b>Placing Programme</b>	the proposed programme of placings of New Shares by the Placing Agent as described in the Prospectus
<b>Property Portfolio</b>	the direct and indirect property assets of the Group from time to time
<b>Property Subsidiary</b>	DRUM Income Plus Limited, a company incorporated in England and Wales with registered number 095115513
<b>Resolution</b>	the ordinary resolution to approve the Burnside Acquisition to be proposed at the General Meeting, notice of which is set out at the end of this document
<b>RIS</b>	regulatory information services maintained by the Financial Conduct Authority
<b>Shareholders</b>	holders of the Ordinary Shares
<b>Sponsor</b>	Dickson Minto W.S.
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UKLA or UK Listing Authority</b>	the Financial Conduct Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
<b>Valuer</b>	Savills (UK) Limited, a private limited company incorporated in England and Wales with registered number 6215875

# DRUM INCOME PLUS REIT PLC

*(A company incorporated and registered in England and Wales with registered number 9511797  
and registered as an investment company under section 833 of the Company Act 2006)*

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of DRUM Income Plus REIT plc (the "Company") will be held at 16 Charlotte Square, Edinburgh EH2 4DF on 8 August 2016 at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution

### Ordinary Resolution

1. **THAT** the Burnside Acquisition (as defined in the circular published by the Company dated 14 July 2016 which accompanies this notice) be and is hereby approved.

*By Order of the Board*

**R & H Fund Services Limited**

*Registered Office*

Level 13  
Broadgate Tower  
20 Primrose Street  
London  
EC2A 2EW

Dated: 14 July 2016

**Notes:**

1. A member who is entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him or her. More than one proxy may be appointed provided each party is appointed to exercise the rights attached to different shares. A proxy need not be a member of the Company.
2. A form of proxy is enclosed for use at the meeting. The form of proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, so as to reach Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 10 a.m. on 4 August 2016 (or, in the case of any adjournment, not less than 48 hours (excluding non working days) prior to the time of the adjourned meeting).
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the registrar's website [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar (ID 3RA50) no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. Completing and returning a form of proxy will not prevent a member from attending in person at the meeting and voting should he or she so wish. If a member attends the meeting, any proxy appointed will be automatically terminated.
8. If you submit more than one valid proxy form, the proxy appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which proxy appointment was last validly received, none of them shall be treated as valid in respect of the same.
9. To have the right to attend, speak and vote at the meeting (and also for the purposes of calculating how many votes a member may cast on a poll) a member must first have his or her name entered on the register of members not later than close of business on 4 August 2016 or in the case of an adjourned meeting 48 hours prior to the holding of the adjourned meeting (excluding non working days). Changes to entries in the register after that time shall be disregarded in determining the rights of any member to attend and vote at such meeting.
10. As at 5.00 p.m. on 13 July 2016, the Company's issued share capital comprised 34,634,900 Ordinary Shares with a total of 34,634,900 voting rights.
11. Any person holding 3 per cent. of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such other party complies with their respective disclosure obligations under the Disclosure and Transparency Rules.
12. Defined terms used but not defined in this notice shall have the same meaning given to them in the Circular published by the Company dated 14 July 2016.