



DRUM

INCOME PLUS REIT

PROSPECTUS

Offer for Subscription
April 2015



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 advisor authorised under the Financial Services and Markets Act 2000 (“FSMA”) immediately.

This document comprises a prospectus relating to Drum Income Plus REIT plc (the “Company”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (“FCA”) made under section 73A of FSMA and approved by the FCA in accordance with section 85 of FSMA. This Prospectus has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules and will be made available to the public in accordance with the Prospectus Rules at www.drumpropertygroup.com/dripreit.

The Directors of the Company, whose names appear on page 22 of this document, and the Company each accept responsibility for the information contained in this document. The Directors and the Company, having taken all reasonable care to ensure that such is the case, believe that the information contained in this document is, to the best of the knowledge of the Directors and the Company, 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 Companies Act 2006)

Offer for Subscription

of up to 50 million ordinary shares of 10p each at an Offer Price of 100p per Share

Applications will be made to the FCA for the Ordinary Shares to be admitted to the premium segment of the Official List of the UK Listing Authority and to the London Stock Exchange for those Shares to be admitted to trading on the Main Market. It is expected that such admissions will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 29 May 2015.

The Offer is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan or any other Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from the United States, Canada, Australia, Japan or to, or for the account or benefit of, any resident of the United States, Canada, Australia or Japan or any other Restricted Jurisdiction and persons receiving this Prospectus (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The Ordinary Shares have not been and will not be registered under the US Securities Act or under any of the relevant securities laws of any state of the United States or of Canada, Australia or Japan. Accordingly, unless an exemption under such act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered directly or indirectly in or into the United States, Canada, Australia or Japan. This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the FCA, is the sponsor and solicitor to the Company. Dickson Minto W.S. is acting exclusively for the Company and for no-one else in relation to the Offer or the matters referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by FSMA or the regulatory regime established thereunder, Dickson Minto W.S. will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto W.S. nor for advising any other person in relation to the Offer or any transaction or arrangement contemplated in or by this document.

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the Offer other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor before investing in the Company. Potential investors should also consider the Risk Factors relating to the Company set out on pages 11 to 17 of this document.

28 April 2015

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SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These Elements are numbered in Sections A-E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and warnings

Element	Disclosure
A.1	<p><i>Warning</i></p> <p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who are responsible for this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	<p><i>Financial Intermediaries</i></p> <p>Not applicable. No consent has been given by the issuer or person responsible for drawing up the Prospectus to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.</p>

Section B – Issuer

Element	Disclosure									
B.1	<p><i>Legal and commercial name</i></p> <p>Drum Income Plus REIT plc (the “Company”).</p>									
B.2	<p><i>Domicile and legal form</i></p> <p>The Company was incorporated in England and Wales under the Act as a public company limited by shares on 26 March 2015 with registration number 9511797 and is a closed-ended investment company.</p>									
B.5	<p><i>Group description</i></p> <p>Not applicable. There is no group.</p>									
B.6	<p><i>Major shareholders</i></p> <p>As at 24 April 2015, (being the last practicable date prior to the publication of this document) the Company is aware of the following persons who, following Admission, will be directly or indirectly interested in 3.0 per cent. or more of the Company’s issued share capital:</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;"><i>Number of Ordinary Shares to be acquired pursuant to the Offer</i></th> <th style="text-align: center;"><i>Percentage of issued share capital following Admission*</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">TC Nominees (No. 1) Limited</td> <td style="text-align: center;">25 million</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: left;">Drum REIT LLP</td> <td style="text-align: center;">2 million</td> <td style="text-align: center;">4%</td> </tr> </tbody> </table> <p>* The percentages shown above are calculated on the assumption that 50 million Ordinary Shares are issued pursuant to the Offer.</p>		<i>Number of Ordinary Shares to be acquired pursuant to the Offer</i>	<i>Percentage of issued share capital following Admission*</i>	TC Nominees (No. 1) Limited	25 million	50%	Drum REIT LLP	2 million	4%
	<i>Number of Ordinary Shares to be acquired pursuant to the Offer</i>	<i>Percentage of issued share capital following Admission*</i>								
TC Nominees (No. 1) Limited	25 million	50%								
Drum REIT LLP	2 million	4%								

	<p>The Directors are not aware of any person or persons who could, directly or indirectly, jointly or severally, exercise control over the Company.</p> <p>TC Nominees (No. 1) Limited has indicated that it will invest £25 million on behalf of the discretionary clients of Turcan Connell Asset Management Limited (“TCAM”). These Shares will be held on behalf of the underlying beneficial shareholders and managed by a number of independent investment managers whose decisions in relation to the Shares will be unfettered by TCAM.</p> <p>There are no different voting rights for any Shareholder.</p>
B.7	<p>Key financial information</p> <p>Not applicable. The Company has not commenced operations since its incorporation on 26 March 2015 and no financial statements of the Company have been made as at the date of this document.</p>
B.8	<p>Key pro forma financial information</p> <p>Not applicable.</p>
B.9	<p>Profit forecast</p> <p>Not applicable. No profit forecast or estimate is made.</p>
B.10	<p>Description of the nature of any qualifications in the audit report on the historical financial information</p> <p>Not applicable.</p>
B.11	<p>Working capital insufficiency</p> <p>Not applicable. The Company is of the opinion, taking into account the Minimum Net Proceeds, that the working capital available to the Company is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.</p>
B.34	<p>Investment policy</p> <p>The Company will pursue its investment objective by investing in a diversified portfolio of UK commercial properties.</p> <p>It will invest principally in three commercial property sectors: office, retail (including retail warehouses) and industrial, without regard to a traditional property market relative return benchmark.</p> <p>The Company will invest predominantly in income producing investments. Investment decisions will be based on analysis of, <i>inter alia</i>, prospects for future income and capital growth, sector and geographic prospects, tenant covenant strength, lease length, initial and equivalent yields and the potential for active asset management of the property.</p> <p>The Company will not invest in other investment companies or funds. However, the Company may hold property through special purpose vehicles and is permitted to invest up to 25 per cent. of its total assets at the time of investment in joint ventures which hold real estate directly. The Company will also be permitted to forward fund purchases of properties on a pre-let or a non pre-let basis and obtain options over properties.</p> <p>Investment risk is spread through investing in a range of geographical areas and sectors, and through letting properties, where possible, to low risk tenants. Although the Company has not set any maximum geographic exposure or maximum weightings in any of the principal property sectors, it may invest no more than 25 per cent. of total assets, at the time of investment, in other sectors such as leisure, residential, student residential, healthcare and hotels. With effect from the later of the Company being fully invested (including drawdown of available debt facilities) or 30 September 2016, no single property may exceed 20 per cent. of total assets at the time of investment. Speculative development (i.e. properties under construction which have not been pre-let) is restricted to a maximum of 10 per cent. of total assets at the time of investment or commencement of the development.</p>

	<p>Development, other than speculative development, is also restricted to a maximum of 10 per cent. of total assets at the time of investment or commencement of the development.</p> <p>With effect from the later of the Company being fully invested (including drawdown of available debt facilities) or 30 September 2016, the Company shall not be permitted to acquire an investment if, as a result, income receivable from any one tenant, or from tenants within the same group (other than from central or local government), would in any one financial year exceed 20 per cent. of the total rental income of the Company for that financial year.</p> <p>The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.</p> <p>Gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 50 per cent. at the time of drawdown.</p>
B.35	<p><i>Borrowing limits</i></p> <p>Gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 50 per cent. at the time of drawdown.</p>
B.36	<p><i>Regulatory status</i></p> <p>The Company is not regulated or authorised by the FCA but will, following Admission, be subject to the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules as applicable to closed-ended investment companies. It will also be an EU alternative investment fund for the purposes of the AIFMD.</p>
B.37	<p><i>Typical investor</i></p> <p>The profile of a typical investor in the Company is an institution or professionally advised individual who is seeking an attractive level of income with the potential for income and capital growth from investing in a diversified portfolio of UK commercial real estate assets and who understands and accepts the risks inherent in the Company's investment policy.</p>
B.38	<p><i>Investment of 20% or more in single underlying asset or investment company</i></p> <p>Not applicable.</p>
B.39	<p><i>Investment of 40% or more in single underlying asset or investment company</i></p> <p>Not applicable.</p>
B.40	<p><i>Applicant's service providers</i></p> <p><i>AIFM</i></p> <p>R&H Fund Services (Jersey) Limited (the "AIFM") has been appointed as Alternative Investment Fund Manager pursuant to the AIFM Agreement under which it is responsible for overall portfolio management and compliance with the Company's investment policy, ensuring compliance with the requirements of the AIFMD that apply to the Company and undertaking all risk management. The AIFM has delegated responsibility of portfolio management services to Drum Real Estate Investment Management Limited (the "Asset Manager") pursuant to the Asset Management Agreement. The AIFM has also delegated certain advisory functions to Turcan Connell Asset Management Limited (the "Investment Advisor") pursuant to the Investment Advisory Agreement. The AIFM has, and shall maintain, necessary expertise and resource to supervise the delegated tasks effectively.</p> <p>The AIFM Agreement provides that the Company will pay to the AIFM a fixed fee of £15,000 per annum plus an annual portfolio management fee of 0.8 per cent. of the Net Assets of the Company and an investment advisory fee of 0.45 per cent. of the Net Assets of the Company. The AIFM has agreed that the portfolio management and the investment advisory fees will be paid to the Asset Manager and the Investment Advisor respectively, in accordance with the provisions of the Asset Management Agreement and the Investment Advisory Agreement.</p>

	<p>The AIFM Agreement can be terminated by any party on 12 months' written notice provided that such notice shall expire no earlier than the fourth anniversary of Admission. The AIFM Agreement may be terminated immediately if the AIFM is in material breach of the agreement, 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.</p> <p><i>Asset Manager</i></p> <p>Pursuant to the Asset Management Agreement, the AIFM has delegated responsibility of portfolio management services to the Asset Manager on the same terms as the AIFM Agreement.</p> <p>In its capacity as asset manager to the Company, the Asset Manager will advise the Company on the acquisition, management and disposal of the real estate assets in the Property Portfolio.</p> <p><i>Investment Advisor</i></p> <p>The AIFM has also delegated certain advisory functions to the Investment Advisor pursuant to the terms of the Investment Advisory Agreement.</p> <p>The Investment Advisor will provide the Company and the AIFM with certain investment advice including advice in relation to the general economic and market conditions in the UK and advice in relation to the Company's cash holdings.</p> <p><i>Administrator</i></p> <p>R&H Fund Services Limited (the "Administrator") has been appointed as company secretary and administrator pursuant to the Administration and Secretarial Agreement. In such capacity, the Administrator is responsible for the Company's general administrative functions such as the calculation and publication of the Company's Net Asset Value and the maintenance of accounting records.</p> <p>A fixed fee of £75,000 per annum is payable by the Company to the Administrator pursuant to the Administration and Secretarial Agreement. 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.</p> <p>The Administration and Secretarial Agreement can be terminated by the Company or the Administrator on six months' written notice.</p>
B.41	<p><i>Regulatory status of manager and custodian</i></p> <p>The AIFM, R&H Fund Services (Jersey) Limited, is a private limited company and was incorporated in Jersey under the Law on 29 November 1988 with registered number 42576. The AIFM is authorised and regulated by the Jersey Financial Services Commission. The Company has no custodian.</p>
B.42	<p><i>Calculation of Net Asset Value</i></p> <p>The properties acquired by the Company will be valued by an external valuer quarterly in accordance with the Red Book. The Net Asset Value attributable to the Ordinary Shares will be published quarterly based on the most recent valuation of the Property Portfolio and in accordance with IFRS. The Net Asset Value will be calculated by the Administrator based on information provided by the Asset Manager and published through a Regulatory Information Service as soon as practicable after the end of the relevant quarter.</p> <p>The calculation of the Net Asset Value per Ordinary Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.</p>

B.43	Cross liability Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	No financial statements have been made up The Company has not commenced operations since its incorporation on 26 March 2015 and no financial statements of the Company have been made as at the date of this document.
B.45	Portfolio Not applicable.
B.46	Net asset value Not applicable.

Section C – Securities

Element	Disclosure
C.1	Type and class of securities The Company proposes to issue up to 50 million Ordinary Shares. Application will be made to the UK Listing Authority for the Ordinary Shares to be admitted to the Official List with a premium listing.
C.2	Currency The Company will issue Ordinary Shares denominated in sterling.
C.3	Number of securities in issue The Ordinary Shares have a nominal value of 10 pence each. As at the date of this document the Company has 50,000 Ordinary Shares in issue all of which are fully paid.
C.4	Description of the rights attaching to the securities <i>Voting Rights</i> Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, Shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company. Each Shareholder being present in person or by proxy or by a duly authorised representative (if a company) at a general meeting shall upon a show of hands have one vote and upon a poll all Shareholders shall have one vote for every Share held. <i>Dividend rights</i> Shareholders will be entitled to receive such dividends as the Directors may resolve to pay to them out of the assets attributable to their Shares. <i>Return of capital</i> Ordinary Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Ordinary Shares in a winding up of the Company or a winding up of the business of the Company.
C.5	Restrictions on the free transferability of the securities Subject to the Articles (and the restrictions on transfer contained therein) a Shareholder may transfer all or any of his Ordinary Shares in any manner which is permitted by the Act or in any other lawful manner which is from time to time approved by the Board.

	<p>The Ordinary Shares have not been, nor will be, registered in the United States under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to restrictions on transfer contained in such laws. There are restrictions on the purchase of Shares by persons who are located in the United States or who are US Persons (as defined in the US Securities Act) and on the resale of Shares by any Shareholders to any person who is located in the United States or is a US Person.</p>
C.6	<p>Admission</p> <p>Application has been made to the UK Listing Authority for the Ordinary Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the Main Market.</p>
C.7	<p>Dividend policy</p> <p>Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay a regular dividend to Shareholders on a quarterly basis. Once the Company is fully invested the Board expects to pay an annualised dividend of 5 pence per Ordinary Share. It is expected that the first quarterly dividend will be paid once the net proceeds of the Offer and available borrowings have been invested in income producing investments. The Directors intend to set the proposed level of dividend for future financial years after taking into account the long term income return of the Property Portfolio and the diversity and covenant strength of the tenants. It is the Board's policy that in paying dividends it should target a high level of dividend cover.</p> <p>Dividends on the Ordinary Shares are expected to be paid in equal instalments quarterly in respect of each financial year from 1 October to 30 September in February, May, August and November. All dividends will be paid as interim dividends.</p> <p>There are no assurances that these dividends will be paid or that the Company will pay any dividends.</p> <p>In accordance with the REIT conditions, it is expected that a significant proportion of dividends will be paid in the form of Property Income Distributions.</p>

Section D – Risks

Element	Disclosure
D.2	<p>Key information on the key risks specific to the issuer</p> <ul style="list-style-type: none"> • The Company has no operating history. • The Company cannot be sure that it will be successful in obtaining suitable investments in UK commercial property. The Company has not, as yet, entered into any agreements to acquire any properties and there is no certainty as to when suitable properties will be acquired. If suitable investments are not found or if there is a delay in investing the proceeds of the Offer, the returns to Shareholders will be less as a result of the lower returns on cash awaiting investment. This could also delay the payment by the Company of its first interim dividend. • If the proceeds of the Offer are not invested at the target yields, the income returns to Shareholders could be reduced and the level of dividends paid to Shareholders, or the level of dividend cover, would also be materially adversely affected. • The underperformance or the departure of key skilled professionals from the Asset Manager could have a material adverse effect on the Company's business, financial condition and results of operations. • The Company cannot guarantee that it will obtain REIT status nor can it guarantee that it will maintain continued compliance with all of the REIT Eligibility Conditions in future periods. If the Company were to leave the REIT regime within ten years of

	<p>joining, HMRC has wide powers to direct how it would be taxed which could have a material impact on the financial condition of the Company.</p> <ul style="list-style-type: none"> • The performance of the Company would be adversely affected by a downturn in the property market in terms of market value or a weakening of rental yields. • Investments in property are relatively illiquid. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices. This could have an adverse effect on the Company's financial condition and results of operations. • The value of property and property related assets is inherently subjective due to the individual nature of each property. As a result valuations are subject to substantial uncertainty. There can be no assurances that the estimates resulting from the valuation process will reflect actual realisable sale prices. • The Company will incur certain fixed costs on the acquisition of properties, including stamp duty land tax which will reduce the Net Asset Value per Share immediately following the acquisition. There is no guarantee that the value of the properties will increase to an amount in excess of these costs. • Competition for appropriate investment opportunities may increase and may lead either to an over-supply of commercial premises through over-development or to prices for existing properties or land for development being driven up through competing bids by potential purchasers. The existence of such competition may have a material adverse impact on the Company's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis and/or to acquire properties or develop land at satisfactory prices which may, as a result, have a material adverse effect on the returns to Shareholders.
D.3	<p>Key information on the key risks specific to the securities</p> <ul style="list-style-type: none"> • The market value of, and the income derived from, the Shares can fluctuate. The market value of the Shares, as well as being affected by their Net Asset Value and prospective Net Asset Value, also takes into account their dividend yield and prevailing interest rates. • Although the Ordinary Shares will be listed on the Official List and traded on the Main Market, following Admission the Company is expected to have a relatively small market capitalisation and will not have as wide a shareholder base as other listed companies. Accordingly it is possible that there may not be as much liquidity in the Company's Shares as in other companies on the Main Market. Therefore the Company's Shares may trade at a discount and Shareholders may have difficulty in selling them. • There is no guarantee that the expected dividends will be paid. • The Company's ability to pay dividends will depend principally upon its rental income received from the properties owned by the Company. • While the Board will seek to spread risk relating to tenant concentration, there is the risk, from time to time and in particular in respect of the early stages of the Company immediately after launch that the Company has a concentrated number of tenants and material exposure to the financial strength and the operational performance of those tenants. • The Company intends to use borrowings to acquire further properties and those borrowings may not be available at the appropriate time or on suitable terms, including interest rates. If borrowings are not available on suitable terms or at all, or if the interest rates increase from current levels this will have a material adverse impact on the returns to Shareholders and in particular the level of dividends paid.

Section E – Offer

Element	Disclosure
E.1	<p>Net proceeds and costs of the Offer</p> <p>The costs and expenses of the Offer include the costs of incorporation of the Company, the fees payable to professional advisors and other related expenses. The Costs Contribution Agreement provides that the Offer Costs which are payable by the Company shall be capped at 2.0 per cent. of the proceeds raised pursuant to the Offer (being an amount equal to the number of Shares issued pursuant to the Offer multiplied by the Offer Price). The Asset Manager shall be responsible for paying any costs in excess of such amount. The Asset Manager has agreed to rebate to the discretionary clients of TCAM 1.0 per cent. of the gross proceeds subscribed by them.</p> <p>The net proceeds of the Offer are expected to be £49 million (on the assumption that the Offer is fully subscribed) and they will be used by the Company to invest in and acquire a portfolio of UK commercial property assets.</p>
E.2 A	<p>Reason for offer and use of proceeds</p> <p>The net proceeds of the Offer will be used by the Company to fund the acquisition of a portfolio of UK commercial property assets.</p>
E.3	<p>Terms and conditions of the offer</p> <p>The Offer, which is not underwritten, is conditional upon:</p> <p>(a) (i) the UKLA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Ordinary Shares arising under the issue to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (“listing conditions”)) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied; (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the Ordinary Shares will be admitted to trading; and (iii) Admission occurring on or before 8.00 a.m. on 29 May 2015 or such time and/or date as the Company and the Sponsor may agree being not later than 30 June 2015; and</p> <p>(b) the gross proceeds of the Offer being the equivalent of at least £30 million (the “Minimum Offer Proceeds”).</p>
E.4	<p>Material interests</p> <p>Not applicable. No interest is material to the Offer.</p>
E.5	<p>Name of person selling securities</p> <p>Not applicable. No person is offering to sell the securities as part of the Offer.</p>
E.6	<p>Dilution</p> <p>Not applicable.</p>
E.7	<p>Expenses charged to the investor</p> <p>The costs and expenses of the Offer include costs of incorporation of the Company, the fees payable to professional advisors and other related expenses. The amount of the costs of the Offer which will be borne by investors is limited to 2.0 per cent. of the proceeds raised pursuant to the Offer (being an amount equal to the number of Shares issued multiplied by the Offer Price). The Asset Manager has agreed to rebate to the discretionary clients of TCAM 1.0 per cent. of the gross proceeds subscribed by them.</p>

RISK FACTORS

The risk factors set out below are those which are considered by the Company and the Directors to be material as at the date of this document but are not the only risks relating to the Company or the Ordinary Shares. Additional risks and uncertainties relating to the Company or the Ordinary Shares that are not currently known to it or that the Directors or the Company do not currently consider to be material may also have a material adverse effect on the Company. Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial advisor before investing in the Company.

Investors should consider the following material risk factors in relation to the Company and the Ordinary Shares.

Risks relating to the Ordinary Shares

Risks in relation to the market value of the Ordinary Shares

If the Company's assets do not grow at a rate sufficient to cover the costs of establishing and operating the Company, Shareholders may not recover the amount initially invested.

The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of an Ordinary Share, as well as being affected by its Net Asset Value and prospective Net Asset Value, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from its underlying Net Asset Value and investors may not get back the full value of their investment.

Fluctuations could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including rental yields, variations in the Company's operating results and business developments of the Company and/or its competitors. Stock markets have experienced significant price and volume fluctuations in the past that have affected market prices for securities.

The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect its investments.

Risks relating to the liquidity of the Ordinary Shares

The Company does not have a fixed winding-up date and therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market. Although the Ordinary Shares will be listed on the Official List and traded on the Main Market, following Admission the Company is expected to have a relatively small market capitalisation and will not have as wide a shareholder base as other listed companies. Accordingly it is possible that there may not be as much liquidity in the Company's Shares as in other companies on the Main Market. Therefore the Company's Shares may trade at a discount and Shareholders may have difficulty in selling them.

Risks relating to dividends

There is no guarantee that the expected dividend in respect of any period will be paid. The Company's ability to pay dividends will be dependent principally upon the rental income generated from the properties owned by the Company.

Dividend growth on the Ordinary Shares will depend principally on growth in rental and other income returns on the underlying assets (which may fluctuate), capital gains realised as the underlying assets are sold and the extent to which the Company is invested. The net proceeds of the Offer will be used by the Company to make investments in UK commercial property assets in accordance with the Company's investment policy. The Company cannot be sure that it will be successful in obtaining suitable investments in UK commercial property. The Company has not, as yet, entered into any agreements to acquire any properties and there is no certainty as to when suitable properties will be acquired. If suitable investments are not found or if there is a delay in investing the proceeds of the Offer, the returns to Shareholders will be less as a result of the lower returns on cash awaiting investment. This could also delay the payment by the Company of its first interim dividend.

If the Company obtains REIT status, it will not be able to pursue asset growth through acquisitions solely from cash provided from its operating activities because of its obligation to distribute at least 90 per cent. of the income profits as calculated for tax purposes arising from the Company's Qualifying Property Rental Business each year (either in cash or by way of stock dividend) to Shareholders in order to continue to enjoy the full exemption from tax on rental income afforded by the UK REIT regime.

As a REIT the Company would be required to pay tax at regular corporate rates on any shortfall to the extent that it distributes as a PID less than the amount required to meet the 90 per cent. distribution condition each year. Consequently, the Company may be forced to rely on the availability of debt or equity capital to fund future acquisitions. In addition, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT regime and the effect of any potential debt amortisation payments could require the Company to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings. As a result of these factors, the constraints of maintaining REIT status could limit the Company's flexibility to make certain investments.

Risks relating to the Company

There can be no guarantee that the investment objectives of the Company will be met. If these objectives are not met Shareholders may not receive a regular level of income or any income or capital growth in the underlying value of their Shares. Shareholders could even lose all or part of their investment in the Company.

Risks relating to the Company's lack of operating history

The Company is a newly incorporated company which has not yet commenced operations and therefore has no track record of past performance or meaningful operating or financial data on which potential investors may base an evaluation. Any investment in the Ordinary Shares is therefore subject to all of the risks and uncertainties associated with any new business, including the risk that the business will not achieve its investment objectives and that the value of any investment made by the Company could substantially decline. The past performance of the Asset Manager is not indicative of the future performance and prospects of the Company.

Risks relating to the REIT status of the Company

The Company cannot guarantee that it will obtain REIT status nor can it guarantee that it will maintain continued compliance with all of the REIT Eligibility Conditions. There is a risk that the REIT regime may cease to apply in some circumstances. HMRC may require the Company to exit the REIT regime if:

- it regards a breach of the conditions or failure to satisfy the conditions relating to the REIT regime, or an attempt to avoid tax, as sufficiently serious;
- if the Company has committed a certain number of minor or inadvertent breaches in a specified period; or
- if HMRC has given the Company at least two notices in relation to the avoidance of tax within a ten year period.

In addition, if the conditions for REIT status relating to the share capital of the Company or the prohibition on entering into loans with abnormal returns are breached or the Company ceases to be UK tax resident, becomes dual tax resident or an open-ended investment company, the Company will automatically lose REIT status. The Company could therefore lose its status as a REIT as a result of actions by third parties, for example, in the event of a successful takeover by a company that is not a REIT or due to a breach of the close company condition if it is unable to remedy the breach within a specified timeframe. If the Company were to be required to leave the REIT regime within ten years of joining, HMRC has wide powers to direct how it would be taxed, including in relation to the date on which the Company would be treated as exiting the REIT regime which could have a material impact on the financial condition of the Company and, as a result, Shareholder returns.

A REIT may become subject to an additional tax charge if it pays a dividend to an Excessive Shareholder. This additional tax charge will not be incurred if the REIT has taken reasonable steps to avoid paying dividends to an Excessive Shareholder. Therefore, the Articles contain provisions designed to avoid the

situation where dividends may become payable to an Excessive Shareholder and these provisions are summarised at paragraph 5.13 of Part 5 of this document. These provisions provide the Directors with powers to identify Excessive Shareholders and to prohibit the payment of dividends on Shares that form part of an Excessive Shareholding, unless certain conditions are met. The Articles also allow the Board to require the disposal of Shares forming part of an Excessive Shareholding in certain circumstances where the Excessive Shareholder has failed to comply with the above provisions.

Risks relating to the taxation of the Company

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Any change in the Company's tax status or in taxation legislation in the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company, or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders. If you are in any doubt as to your tax position, you should consult your own professional advisor without delay.

Any change (including a change in interpretation) in tax legislation, in the United Kingdom, could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. Changes to tax legislation could include the imposition of new taxes or increases in tax rates in the United Kingdom. In particular, an increase in the rates of stamp duty land tax could have a material impact on the price at which UK land can be sold, and therefore on asset values.

Risks relating to laws and regulation which may affect the Company

The Company and the Asset Manager are both subject to laws and regulations enacted by national, regional and local governments and institutions. In particular, the Company will be required to comply with certain statutory requirements under English law applicable to a company incorporated in England, the Listing Rules and the Disclosure and Transparency Rules. Compliance with and the monitoring of applicable regulations may be difficult, time consuming and costly. Any changes to such regulation could affect the market value of the Property Portfolio and/or the rental income of the Property Portfolio.

Following the Scottish independence referendum it is proposed that further powers will be devolved to the Scottish Parliament including in relation to certain taxation matters. It remains unclear what additional powers are to be devolved. Any changes to the regulation or taxation in Scotland could have an adverse effect on any properties the Company purchases in Scotland. It is also unclear what impact the forthcoming UK general election may have on the commercial property market in the UK or an investment in the Company.

The EU Directive on Alternative Investment Fund Managers ("AIFMD"), came into force on 22 July 2013 and regulates alternative investment fund managers ("Alternative Investment Fund Managers") and prohibits such Alternative Investment Fund Managers from managing any alternative investment fund ("AIF") or marketing shares in such AIFs to investors in the EU unless, in respect of Alternative Investment Fund Managers based in the EU, authorisation under the AIFMD is granted to the Alternative Investment Fund Managers or, in respect of Alternative Investment Fund Managers based outside the EU, notification that the non-EU Alternative Investment Fund Manager is marketing an AIF is made to the FCA, or other relevant regulatory body. The Alternative Investment Fund Manager of the Company will need to comply with various obligations in relation to itself and the Company. In the event that any future regulatory changes arise from the implementation of the AIFMD that impair the ability of the AIFM to manage the investments of the Company, or limit the ability of the Company to market future issues of its Shares, the ability of the Company to carry out its investment policy and strategy and achieve its investment objective could be adversely affected.

The Foreign Account Tax Compliance Act ("FATCA") provisions of the US Tax Code may impose a 30 per cent. withholding tax on payments of US source interest and dividends made on or after 1 July 2014 and of gross proceeds from the sale of certain US assets made on or after 1 January 2017 to a foreign financial institution (or "FFI") that, unless exempted or deemed compliant, does not enter into, and comply with, an agreement with the US Internal Revenue Service (the "IRS") to provide certain information on its US shareholders. Beginning no earlier than 1 January 2017 a portion of income that is otherwise non-US-source may be treated as US-source for this purpose.

The Company may be treated as an FFI for these purposes. If the Company is treated as an FFI, to avoid the withholding tax described above, the Company may need to enter into an agreement (an “IRS Agreement”) with the IRS or alternatively, comply with the requirements of the intergovernmental agreement (an “IGA”) between the United States and the United Kingdom in respect of FATCA (including any legislation enacted by the United Kingdom in furtherance of the IGA). An FFI that fails to comply with the applicable IGA or, if required, does not enter into an IRS Agreement or whose agreement is voided by the IRS will be treated as a “non-Participating FFI”.

In general, an IRS Agreement will require an FFI to obtain and report information about its “U.S. accounts”, which include equity interests in a non-U.S. entity other than interests regularly traded on an established securities market. However, assuming that the Company will be an FFI, since its Ordinary Shares would be considered to be regularly traded on an established securities market for the purposes of FATCA, the Company’s reporting obligations under FATCA will generally be less extensive than if its Ordinary Shares were not considered regularly traded on an established securities market which generally requires similar information to be collected and reported to the UK authorities. Accordingly, Shareholders should not be considered reportable accounts for the purposes of FATCA.

Under the UK IGA (including any legislation enacted in furtherance of the IGA) or an IRS Agreement, an intermediary (and possibly the Company) may be required to deduct a withholding tax of up to 30 per cent. on payments (including gross proceeds and redemptions) made on or after 1 January 2017 to a recalcitrant holder or a shareholder of the Company that itself is an FFI and, unless exempted or otherwise deemed to be compliant, does not have in place an effective IRS Agreement (i.e., the shareholder is a non-Participating FFI). Neither the Company nor an intermediary will make any additional payments to compensate a shareholder of the Company or beneficial owner for any amounts deducted pursuant to FATCA. It is also possible that the Company may be required to cause the disposition or transfer of Shares held by shareholders of the Company that fail to comply with the relevant requirements of FATCA and the proceeds from any such disposition or transfer may be an amount less than the then current fair market value of the Ordinary Shares transferred.

If the Company (or any intermediary) is treated as a non-Participating FFI, the Company may be subject to a 30 per cent. withholding tax on certain payments to it.

Even if the Company is not characterised under FATCA as an FFI, it nevertheless may become subject to such 30 per cent. withholding tax on certain U.S. source payments to it unless it either provides information to withholding agents with respect to its “substantial U.S. owners” or certifies that it has no such “substantial U.S. owners”. As a result, Shareholders may be required to provide any information that the Company determines necessary to avoid the imposition of such withholding tax or in order to allow the Company to satisfy such obligations.

Risks relating to gearing

It is intended that the Company will incur gearing to fund the acquisition of, as yet unidentified, UK commercial property assets. There is no certainty that such borrowings will be made available to the Company either at all or on acceptable terms. In particular the cost of any such debt to the Company will be adversely impacted by increases in interest rates from current levels. This may adversely affect the ability of the Company to grow in the future and acquire further properties and/or may increase the cost of the debt to the Company which could, as a consequence, have a material adverse impact on the financial position of the Company and the level of returns and dividends paid to Shareholders.

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Ordinary Shares where the value of the Company’s underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Property Portfolio falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and accordingly will have an adverse effect on the Company’s ability to pay dividends to Shareholders.

Under the UK REIT legislation, a UK tax charge will arise in the Company if in respect of an accounting period the Company’s ratio of profits to financing costs (in respect of its Qualifying Property Rental Business) is less than 1.25:1.

Risks relating to conflicts of interest

The services of the Asset Manager, its respective associates and their respective officers and employees, are not exclusive to the Company. Although the Asset Manager has in place a conflicts of interest and asset allocation policy, in fulfilling its responsibilities to the Company, it may be subject to certain conflicts of interest arising from its relations with third parties to whom it also owes duties or in whom it has an interest.

Risks relating to the economic environment

Global market uncertainty and the weakened economic conditions in the United Kingdom and elsewhere and, in particular, the restricted availability of credit, may reduce the value of the Property Portfolio once it has been acquired, and may reduce liquidity in the real estate market. The performance of the Company would be adversely affected by a downturn in the property market in terms of market value or a weakening of rental yields.

Risks relating to the existence of competition for investment

Competition for appropriate investment opportunities may increase. Competition in the property market may lead either to an over-supply of commercial premises through over-development or to prices for existing properties or land for development being driven up through competing bids by potential purchasers. The ability of the Company to achieve its investment objective depends upon the Company identifying, selecting and executing investments which offer the potential for satisfactory returns. Accordingly, the existence of such competition may have a material adverse impact on the Company's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis and/or to acquire properties or develop land at satisfactory prices which may, as a result, have a material adverse effect on the returns to Shareholders.

Risks relating to the Company's investments

Risks relating to property and property related assets

The Company cannot be sure that it will be successful in obtaining suitable investments in UK commercial property assets on financially attractive terms.

The Company will incur certain fixed costs on the acquisition of properties, including stamp duty land tax, which will reduce the Net Asset Value per Share immediately following the acquisition. There is no guarantee that the value of the properties will increase to an amount in excess of these costs.

The Company will, once fully invested, have a diversified portfolio, but may be more concentrated in terms of number of individual properties than other property investment companies. The Company will not be managed with any direct correlation to any property index and consequently may have returns, favourable or unfavourable, that differ from the performance of UK commercial property markets as a whole.

While the Board will seek to spread risk relating to tenant concentration, there is the risk, from time to time and in particular in respect of the early stages of the Company immediately after launch, that the Company will have a concentrated number of tenants and material exposure to the financial strength and the operational performance of those tenants.

In the event of default by a tenant or during any other void period, the Company will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs. Investments in property are relatively illiquid. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. This could have an adverse effect on the Company's financial condition and results of operations.

If the proceeds of the Offer are not invested at the target yields, the income returns to Shareholders could be reduced and the level of dividends paid to Shareholders, or the level of dividend cover, would also be materially adversely affected.

Returns from an investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the development or redevelopment and management of the property, as well as upon changes in its market value.

The Company's ability to pay dividends will be dependent principally upon its rental income. Rental income and the market value of properties are generally affected by overall conditions in the relevant local economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. Changes in gross domestic product may also impact employment levels, which in turn may impact the demand for premises. Both rental income and market values may also be affected by other factors specific to the commercial property market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

Properties owned by the Company in the future may have significant levels of vacancy. Certain of the Company's properties may be specifically suited to the particular needs of a certain type of tenant. The Company may have difficulty in obtaining a new tenant for any vacant space it has in its properties, particularly if prospective tenants have negative perceptions of the attractiveness or other features of any property. The Company may need to incur additional capital expenditure on a property to attract tenants. If a vacancy continues for a longer period of time, the Company may suffer reduced revenues resulting in less income available to be distributed to Shareholders. In addition, the market value of a property could be diminished because the value of a particular property will depend principally upon the value of the leases of such property.

The Company may undertake development (including redevelopment) of property or invest in property that requires refurbishment prior to renting the property. The risks of development or refurbishment include, but are not limited to, delays in timely completion of the project, cost overruns, poor quality workmanship, and inability to rent or inability to rent at a rental level sufficient to generate profits.

Any change to the laws and regulations relating to the UK commercial property market may have an adverse effect on the market value and/or the rental income of the Property Portfolio.

As the owner of real property, the Company will be subject to environmental regulations that can impose liability for cleaning up contaminated land, watercourses or groundwater on the person causing or knowingly permitting the contamination. If the Company acquires contaminated land, it could also be liable to third parties for harm caused to them or their property as a result of the contamination. If the Company is found to be in violation of environmental regulations, it could face reputational damage, regulatory compliance penalties, reduced letting income and reduced asset valuation, which could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

Risks relating to valuations

The value of property and property related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the valuations of any properties will reflect the actual realisable sale price even where such sales occur shortly after the relevant valuation date.

The financial markets have seen significant turbulence over recent years resulting in severe liquidity shortages. The turmoil in the credit markets had an immediate effect on the real estate investment market, resulting in some transactions failing and/or prices being renegotiated downwards. This has caused a marked reduction in the volume of transactions. Generally, there is greater volatility of pricing in the evidence generated by limited comparable transactions and in these circumstances there is a greater degree of uncertainty than that which exists in a more active and stronger market in forming an opinion of the realisation prices of property assets.

Risks relating to the reliance on key individuals

The Company is dependent on the ability of the Asset Manager to provide management services successfully, in particular, being able to identify properties that offer the potential for rental and capital growth through physical improvement, re-negotiation of leases or where the Asset Manager believes that the property has been mispriced. In turn, the successful management performance of the Asset Manager will be dependent upon the expertise of key personnel in providing management services. In the event of the departure, withdrawal or death of such key personnel the performance of the Company and returns to Shareholders may be adversely affected.

Risks relating to the initial term of the Management Agreements

Save in certain circumstances (for example in the event that there is a change in control of the relevant manager or advisor or a material breach is committed), the Company is not able to terminate any of the Management Agreements until after the fourth anniversary of Admission. This could make it costly to terminate the Management Agreements prior to this date and could have a material adverse effect on the financial position of the Company and the returns available to Shareholders.

If potential investors are in any doubt as to the consequences of their acquiring, holding or disposing of Ordinary Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor.

IMPORTANT INFORMATION

This document should be read in its entirety before making any application for Shares. Prospective Shareholders should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the AIFM, the Asset Manager, the Investment Advisor or the Sponsor or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules, neither the delivery of the Prospectus nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Prospective Shareholders must not treat the contents of the document or any subsequent communications from the Company, the AIFM, the Asset Manager, the Investment Advisor or the Sponsor or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Apart from the liabilities and responsibilities (if any) which may be imposed on the Sponsor by FSMA or the regulatory regime established thereunder, the Sponsor does not make any representations, express or implied, or accept any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or by any of them or on its or their behalf in connection with the Company, the Shares or the Offer. The Sponsor (and its affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

If you are in doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant, legal or professional advisor or other financial advisor.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("personal data") will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) and/or the Administrator in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by the Asset Manager, the Investment Advisor, or their affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisors to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company or its agents to provide services to prospective investors; and

- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom (as applicable).

If the Company (or any third party, functionary or agent appointed by the Company) and/or the Administrator discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Regulatory information

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of the Prospectus may be prohibited in some countries.

Prospective investors should consider (to the extent relevant to them) the section headed “Overseas Investors” as set out in Part 3 of this document.

As a REIT pursuant to Part 12 of the Corporation Tax Act 2010, the FCA rules in relation to non-mainstream investment products will not apply to the Company.

The AIFM is authorised and regulated by the Jersey Financial Services Commission (the “JFSC”). The JFSC is protected by the Financial Services (Jersey) Law 1998 against liability arising from the discharge of its functions under that law.

Investment considerations

The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory or investment decisions or any other matter. Prospective investors must inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Shares which they might encounter; and
- the income and other tax consequences which may apply to them as a result of the purchase, holding, transfer, redemption or other disposal of the Shares.

Prospective investors must rely upon their own representatives, including their own legal advisors and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company’s investment objectives will be achieved.

It should be remembered that the price of the Shares, and the income from such Shares (if any), can go down as well as up.

This document should be read in its entirety before making any investment in the Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Company’s memorandum of association and the Articles which investors should review. A summary of the Articles is contained in Part 5 of this document under the section headed “Summary of the Articles”.

Forward-looking statements

This document contains forward-looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or in each case, their negative or other variations or similar expressions. Such forward-looking statements involve

unknown risk, uncertainties and other factors, which may cause the actual results of operations, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective Shareholders are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its compliance with its legal and regulatory obligations (including under the Listing Rules, Disclosure and Transparency Rules and Prospectus Rules), the Company undertakes no obligation to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The actual number of Shares to be issued will be determined by the Directors, the Asset Manager, the Investment Advisor and the Sponsor. Accordingly, the information in this document should be read in light of the actual number of Shares to be issued in the Offer for Subscription.

Nothing in this section seeks to limit or qualify, in any way, the working capital statement in paragraph 10.5 of Part 5 of this document.

Definitions

A glossary of certain words and expressions and a list of defined terms used in this document is set out on pages 23 to 27 of this document.

Performance Data

The Company has no investment history. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Investment Advisor, which market conditions may be different in many respects from those that prevail at present or in the future, including (without limitation) with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

EXPECTED TIMETABLE

	<i>2015</i>
Offer for Subscription opens	28 April
Latest time and date for receipt of Application Forms under the Offer	5.00 p.m. on 26 May
Admission and dealings in Ordinary Shares commence	8.00 a.m. on 29 May
Crediting of CREST accounts in respect of the Ordinary Shares	8.00 a.m. on 29 May
Share certificates in respect of the Ordinary Shares despatched (where applicable)	week commencing 1 June

Each of the times and dates in the above timetable is subject to change and may, with the consent of the Sponsor, be extended or brought forward without further notice. The Company will notify investors of any such changes to these dates by making an announcement via a Regulatory Information Service. References to times are to London time.

OFFER STATISTICS

Offer Price per Ordinary Share	100p
Number of Ordinary Shares being issued*	50 million
Estimated net proceeds of the Offer*	£49 million
ISIN of the Ordinary Shares	GB00BW4NWS02
Ticker code	DRIP

* Assuming the maximum number of 50 million Ordinary Shares are issued under the Offer.

DIRECTORS AND ADVISORS

Directors	John Evans (<i>Chairman</i>) Hugh Little Alan Robertson all non-executive and of Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW
Alternative Investment Fund Manager	R&H Fund Services (Jersey) Limited Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW
Asset Manager	Drum Real Estate Investment Management Limited 115 George Street Edinburgh EH2 4JN
Investment Advisor	Turcan Connell Asset Management Limited Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE
UK Legal Advisor to the Company and Sponsor	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
Administrator and Company Secretary	R&H Fund Services Limited 15-19 York Place Edinburgh EH1 3EB
Valuers	Savills (UK) Limited 8 Wemyss Place Edinburgh EH3 6DH
Reporting Accountants, Tax Advisor and Auditors	Deloitte LLP 2 New Street Square London EC4A 3BZ
Receiving Agent	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

DEFINITIONS

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

Act	the Companies Act 2006 (as amended)
Administration and Secretarial Agreement	the administration and secretarial agreement between the Company and the Administrator, a summary of which is set out in paragraph 8.4 of Part 5 of this document
Administrator	R&H Fund Services Limited, a company incorporated in England and Wales with registered number 07777299
Admission	the admission of the Ordinary Shares to the premium segment of the Official List and to trading on the Main Market
AIC Code	Association of Investment Companies Code of Corporate Governance
AIC SORP	AIC Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts issued November 2014
AIFM	R&H Fund Services (Jersey) Limited, a company incorporated in Jersey with registered number 42576
AIFM Agreement	the AIFM agreement between the Company and the AIFM, a summary of which is set out in paragraph 8.1 of Part 5 of this document
AIFMD	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; the UK AIFM Regulations and any other applicable national implementing measures, including FCA Rules
Alternative Investment Fund Manager	an alternative investment fund manager for the purposes of the AIFMD
Application Form	the application form for use in connection with the Offer for Subscription
Articles	the articles of association of the Company, a summary of which is set out in paragraph 5 of Part 5 of this document
Asset Manager	Drum Real Estate Investment Management Limited, a private limited company incorporated in Scotland with registered number SC475927
Asset Management Agreement	the asset management agreement between the Company, the AIFM and the Asset Manager, a summary of which is set out in paragraph 8.2 of Part 5 of this document

Auditor	Deloitte LLP, a limited liability partnership incorporated in England and Wales with registered number OC303675
Australia	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
Board or Directors	the directors of the Company
Business Day	a day (other than a Saturday or a Sunday) on which the London Stock Exchange is open for business
Canada	Canada, its provinces and territories and all areas under its jurisdictions and political sub-divisions thereof
Code	the UK Corporate Governance Code as published by the Financial Reporting Council
Company	Drum Income Plus REIT plc, a company incorporated in England and Wales with registered number 9511797
Costs Contribution Agreement	the costs contribution agreement between the Company and Drum, a summary of which is set out in paragraph 8.6 of Part 5 of this document
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
CTA 2009	the Corporation Tax Act 2009
CTA 2010	the Corporation Tax Act 2010
Disclosure and Transparency Rules	the disclosure and transparency rules made by the FCA under Part VI of FSMA, as amended from time to time
Distribution	any dividend or other distribution by the Company (“distribution” being construed in accordance with Part 23 of the CTA 2010)
Drum Property Group	Drum Property Group Limited, a company incorporated in Scotland with registered number SC262896
EEA States	the member states of the European Economic Area
EU	the member states of the European Union
Excessive Shareholder	a company or body corporate that is beneficially entitled, directly or indirectly, to 10 per cent. or more of the distributions paid by the Company and/or share capital of the Company, or which controls, directly or indirectly, 10 per cent. or more of the voting rights of the Company (referred to in section 553 of CTA 2010 as a “holder of excessive rights”)
Excessive Shareholding	an Excessive Shareholder’s shareholding
FATCA	The Foreign Account Tax Compliance Act
FCA	the Financial Conduct Authority
FFI	foreign financial institution
FSMA	the Financial Services and Markets Act 2000 (as amended)

GDP	gross domestic product of the UK
Group	the Company, its wholly owned subsidiaries and its 75 per cent. subsidiaries from time to time (as defined in section 606 of CTA 2010)
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards as adopted by the European Union and therefore comply with Article 4 of the EU International Accounting Standards regulation
IGA	intergovernmental agreement
Institutional Investor	a person who qualifies as an institutional investor under Section 528(4A) of CTA 2010
Investment Advisor or TCAM	Turcan Connell Asset Management Limited, a private limited company incorporated in Scotland with registered number SC383455
Investment Advisory Agreement	the investment advisory agreement between the Company and the Investment Advisor, a summary of which is set out in paragraph 8.3 of Part 5 of this document
IRS	US Internal Revenue Service
ISA	individual savings account for the purposes of section 694 Income Tax (Trading and Other Income) Act 2005
Japan	Japan, its cities, prefectures, territories and possessions
Key Men	Bryan Sherriff and Graeme Bone or any other person who may be designated a key man from time to time in accordance with the Asset Management Agreement
Law	the Companies (Jersey) Law, 1991
Listing Rules	the listing rules made by the FCA under Part VI of FSMA, as amended
London Stock Exchange	London Stock Exchange plc
Management Agreements	the AIFM Agreement, the Asset Management Agreement and the Investment Advisory Agreement
Main Market	the main market of the London Stock Exchange
Minimum Net Proceeds	the Minimum Offer Proceeds less the Offer Costs
Minimum Offer Proceeds	the minimum gross proceeds of the Offer being £30 million
Net Assets	the aggregate gross value of the assets of the Company and any members of the Group (but excluding the value of any assets held outside the Company and any members of the Group or interests held in subsidiaries) including cash less the total liabilities of the Company and any members of the Group (save that such total liabilities shall exclude any liability of an intra-Group nature) and including proportionate shares of joint ventures (unless agreed otherwise by the Parties), and the value of the assets shall be based on the most recent external valuation prepared on or prior to the relevant Valuation Date by the valuer appointed by the Company to value the assets of the Company

Net Asset Value	in relation to a Share, means its net asset value on the relevant date calculated in accordance with the Company's normal accounting policies
Non-PID Dividends	a dividend paid by the Company that is not a PID
Offer or Offer for Subscription	the offer for subscription of Ordinary Shares at the Offer Price as described in this document
Offer Costs	the costs and expenses payable by the Company in respect of the incorporation of the Company, the Offer and Admission which are capped at 2.0 per cent. of the gross proceeds of the Offer
Offer Price	100 pence per Ordinary Share
Official List	the official list of the UK Listing Authority
Ordinary Shares or Shares	the ordinary shares of 10 pence each in the capital of the Company designated as such and having the rights and being subject to the restrictions specified in the Articles
Property Portfolio	the portfolio of properties that the Company will acquire
Property Income Distribution or PID	a distribution referred to in section 548(1) or 548(3) of the CTA 2010, being a dividend or distribution paid by a company relating to profits or gains of the Qualifying Property Rental Business of the Group arising at a time when the Group is a REIT insofar as they derive from the Group's Qualifying Property Rental Business
Prospectus	this document
Prospectus Rules	the prospectus rules made by the FCA under Part VI of FSMA (as amended)
Qualifying Property Rental Business	a business within the meaning of CTA 2009, or an overseas property business within the meaning of section 206 CTA 2009, but, in each case, excluding certain specified types of business (as per section 519(3) of CTA 2010)
Receiving Agent or Registrar	Computershare Investor Services PLC, a public limited company incorporated in England and Wales with registered number 3498808
Red Book	RICS Appraisal and Valuation Standards, 6th Edition
Registrar Agreement	the registrar agreement between the Company and the Registrar a summary of which is set out in paragraph 8.5 of Part 5 of this document
Regulatory Information Service	regulatory information services maintained by the FCA
REIT	a company or group to which Part 12 of CTA 2010 applies
REIT Eligibility Conditions	the qualifying conditions in relation to a Company becoming a REIT as set out in CTA 2010
REIT Group	a group UK REIT within the meaning of Part 12 of CTA 2010
REIT Regime	Part 12 of CTA 2010
Residual Business	the business of the Group which is not part of the Group's Qualifying Property Rental Business

Restricted Jurisdiction	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Offer or the Prospectus is sent or made available to a person in that jurisdiction
SDRT	Stamp Duty Reserve Tax
Shareholders	holders of the Ordinary Shares
Sponsor	Dickson Minto W.S.
Takeover Code	the City Code on Takeovers and Mergers
Takeover Panel	the Panel on Takeovers and Mergers
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UKLA or UK Listing Authority	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA (as amended)
United States or US	the United States of America (including the District of Columbia), its territories and possessions, any state of the United States of America and all other areas subject to its jurisdiction or any political sub-division thereof
US Securities Act	the United States Securities Act of 1933 (as amended)
Valuation Dates	the last Business Day of December, March, June and September (and "Valuation Date" shall mean any of such days)
Valuer or Savills	Savills (UK) Limited, a private limited company incorporated in England and Wales with registered number 2605138

PART 1

THE COMPANY

Introduction

Drum Income Plus REIT plc is a newly incorporated investment company with an indefinite life. The Company intends to qualify as a REIT for the purposes of UK taxation. The Company will invest in a portfolio of secondary commercial real estate assets 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 Company will have a single class of ordinary shares in issue, which will be listed on the premium segment of the Official List and traded on the Main Market.

R&H Fund Services (Jersey) Limited has been appointed by the Company to be its Alternative Investment Fund Manager with responsibility for the portfolio management and risk management of the Company's investments. The AIFM will delegate responsibility for sourcing acquisitions, identifying disposal opportunities and portfolio management services relating to the Property Portfolio to Drum Real Estate Investment Management Limited, a wholly owned subsidiary of Drum Property Group. Drum Property Group is owned and managed by a multi-disciplinary team of executive directors with over 130 years of collective operating experience in the UK property market. Drum Property Group has a long track record of successfully developing and managing commercial property investments throughout the UK and were named Property Company of the Year at the Scottish Property Awards 2015. The Company has also appointed Turcan Connell Asset Management Limited to provide the AIFM with investment advice in relation to macro economic conditions.

Under the Offer, the Company is proposing to issue up to 50 million Ordinary Shares to raise gross proceeds of up to £50 million. The Offer is not being underwritten and will not proceed unless valid subscriptions are received for at least 30 million Ordinary Shares at the Offer Price. TCAM has indicated that it will invest £25 million on behalf of its discretionary clients. Drum Property Group has also indicated that it will invest £2 million under the Offer.

The net proceeds of the Offer are expected to be substantially invested, within a period of five to eight months after Admission, in UK real estate assets which will be sourced by the Asset Manager.

It is intended that the Company will qualify as a REIT as soon as possible following Admission subject to satisfying the REIT Eligibility Conditions, in particular, the acquisition of a property portfolio. Unless and until REIT status is obtained, the Company will be subject to UK corporation tax on its profits and gains.

Investment objective and policy

Investment objective

The Company will seek to provide investors with a regular dividend income plus the prospect of income and capital growth over the longer term.

Investment policy

The Company will pursue its investment objective by investing in a diversified portfolio of UK commercial properties.

It will invest principally in three commercial property sectors: office, retail (including retail warehouses) and industrial, without regard to a traditional property market relative return benchmark.

The Company will invest predominantly in income producing investments. Investment decisions will be based on analysis of, *inter alia*, prospects for future income and capital growth, sector and geographic prospects, tenant covenant strength, lease length, initial and equivalent yields and the potential for active asset management of the property.

The Company will not invest in other investment companies or funds. However, the Company may hold property through special purpose vehicles and is permitted to invest up to 25 per cent. of total assets at

the time of investment, in joint ventures which hold real estate directly. The Company will also be permitted to forward fund purchases of properties on a pre-let or a non pre-let basis and obtain options over properties.

Investment risk is spread through investing in a range of geographical areas and sectors, and through letting properties, where possible, to low risk tenants. Although the Company has not set any maximum geographic exposure or maximum weightings in any of the principal property sectors, it may invest no more than 25 per cent. of total assets, at the time of investment, in other sectors such as leisure, residential, student residential, healthcare and hotels. With effect from the later of the Company being fully invested (including drawdown of available debt facilities) or 30 September 2016, no single property may exceed 20 per cent. of total assets at the time of investment. Speculative development (i.e. properties under construction which have not been pre-let) is restricted to a maximum of 10 per cent. of total assets at the time of investment or commencement of the development. Development, other than speculative development, is also restricted to a maximum of 10 per cent. of total assets at the time of investment or commencement of the development.

With effect from the later of the Company being fully invested (including drawdown of available debt facilities) or 30 September 2016, the Company shall not be permitted to acquire an investment if, as a result, income receivable from any one tenant, or from tenants within the same group (other than from central or local government), would in any one financial year exceed 20 per cent. of the total rental income of the Company for that financial year.

The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

Gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 50 per cent. at the time of drawdown.

Investment outlook

Despite short term volatility arising from political uncertainty in the UK and the Eurozone and the risks of deflation, confidence in the UK economy continues to grow with the Office for Budget Responsibility predicting that GDP will rise by around 2.5 per cent. this year. Increased confidence in the economy has led to a steady rise in employment, particularly in the office based sector. Although continued fiscal and current account deficits will suppress growth going forward, the risks of a substantial setback to the UK economy have diminished.

With subdued growth and low inflation, interest rates look set to remain at low levels for a significant period. This environment, when combined with lower energy prices, is generally supportive for UK businesses as it results in lower operating costs. Higher yielding assets will also remain particularly attractive to investors.

As confidence in the UK economy continues to grow there has been increased demand from tenants for regional commercial real estate assets. Savills is predicting that regional commercial property markets outside the South East of England will be the next to benefit from continued economic growth. There has been a period of decline in the level of development in the real estate market in recent years with a particular lack of supply in the regional office and industrial sectors. The increase in demand from tenants has created a mismatch between supply and demand, resulting in rising rental values in selected areas and sectors.

Over recent years rental income has steadily improved and property values have increased at a reasonable rate leading to the stabilisation of the UK commercial real estate sector. In this favourable environment investor confidence continues to grow and risk appetite has increased.

Investment opportunity

The Board believes that within this market context there is currently value to be gained by investing in regional real estate assets that offer identifiable asset management and risk controlled development opportunities.

Focus on growth potential

The Asset Manager will focus on assets which it believes will benefit from its entrepreneurial proactive asset management strategy. Properties will be identified that offer the potential for rental and capital growth through physical improvement, re-negotiation of leases or where the Asset Manager believes that the property has been mispriced.

Assets will be sought in strong regional areas where the Asset Manager believes there is the greatest potential for growth. However, attractive opportunities will be considered throughout the UK.

Lack of competition

In recent years the majority of institutional investors have been focusing on prime properties and larger lot sizes. Interest from smaller property companies and private individuals, that traditionally acquired lot sizes of less than £15 million, has not returned to previous levels following the 2008 crisis due to the ongoing lack of available credit. This has created a pricing anomaly in smaller lot sizes due to a lack of competition for assets.

The Board therefore believes that the Company will be ideally placed from launch to exploit the lack of competition for assets in smaller lot sizes. The Company will therefore target assets with a lot size of between £2 million and £15 million with an average lot size of approximately £5 million.

Attractive blend of income return and capital growth

The Company will provide investors with an attractive core income, through an expected annual dividend of 5 pence per Ordinary Share. The assets selected to make up the Property Portfolio will also provide investors with the potential for income and capital growth over the longer term.

The Board is confident that the Asset Manager's knowledge of the sector combined with its expertise in asset and development management will be key in the Company achieving its investment objective.

Proactive asset management

The team at the Asset Manager that will be responsible for the Property Portfolio have extensive experience of entrepreneurial proactive asset management creating investments that deliver market-leading revenue and capital appreciation.

From addressing and letting void space, pursuing rent reviews and expiries, through to physically altering, developing and improving buildings in a risk-controlled manner, the Asset Manager will deliver a detailed and involved asset management strategy that aims to identify and drive rental growth whilst also maximising additional income opportunities.

The Asset Manager's team comprises investment professionals experienced in both institutional and real estate company sectors. The team also has extensive credentials in the successful and profitable disposal of assets. Although the disposal of assets will only be pursued as market conditions dictate and if such an exit would improve the Company's ongoing performance and would comply with the overall investment objective.

Investment strategy

Target Property Portfolio

The Asset Manager will target commercial real estate assets with the following characteristics:

- lot sizes of between £2 million and £15 million, with an average lot size of approximately £5 million;
- that offer the opportunity to add value via the Asset Manager's proactive asset management;
- situated in significant regional conurbations that have scope for physical improvement or improved asset management; and
- which the Asset Manager considers to be mispriced and/or properties which are subject to sub-standard lease lengths and voids.

The Asset Manager will focus on acquiring assets in the three principal commercial real estate sectors: office, retail (including retail warehouses) and industrial, which have the potential to offer a secure income stream. Although investments may be made in other real estate sectors, the number of assets held in these sectors will be restricted.

The Asset Manager will not be constrained by geographical restrictions or traditional property market benchmarks. However, based on current market opportunities and valuations, it is expected that the Company will initially focus on assets outside London and the South East. Although given the entrepreneurial nature of the asset management strategy, appropriate opportunities throughout the UK will be considered.

When considering assets for the Property Portfolio the Asset Manager will target a net initial yield in excess of 6.5 per cent. However, if the Asset Manager is able to demonstrate to the Board that there are development opportunities and/or benefits to the wider Property Portfolio, assets may be acquired which have a lower net initial yield.

The Asset Manager will focus on acquiring assets that it believes will benefit from its detailed and involved proactive asset management. These assets may benefit from physical improvement, subject to the Asset Manager's risk analysis, or improved management such as re-negotiated lease terms based on the Asset Manager's knowledge and experience. The Board is confident that this asset development will allow for improved capital returns thus providing investors with regular income in the short term and the potential for capital growth in the longer term.

The Board believes that the Asset Manager's knowledge and experience of the UK commercial real estate sector will be key in identifying assets that match the Company's investment criteria. The Board is of the opinion that this knowledge and the well established list of contacts that the Asset Manager has developed throughout the commercial real estate sector in the UK will help ensure that the Company has a regular stream of appropriate and attractive investment opportunities. The Board believes that the Asset Manager will have substantially invested the proceeds of the Offer within a period of five to eight months after Admission.

Risk management and sustainability

The Asset Manager will consider and monitor risk through all aspects of the investment process. Risks identified prior to the acquisition of an asset will be highlighted to the Board and considered by the Directors prior to approval of the purchase. These risks will then be monitored by the Asset Manager and reviewed at each quarterly Board meeting of the Company.

Sustainable investment will be relevant in considering suitable investments for the Company and is a factor considered by the Asset Manager when analysing risk. The Asset Manager will seek to avoid depreciation in valuation caused by external environmental factors and will also seek to be aware of the need for buildings to deliver the future requirements of occupiers.

REIT opportunity

Following its intended qualification as a REIT the Company will have a tax efficient corporate structure for UK tax purposes on the basis that a REIT does not suffer UK corporation tax on the profits (income and capital gains) derived from its Qualifying Property Rental Businesses in the UK, provided that certain conditions are satisfied. Additionally the Company may, once it has become a REIT, be able to offer vendors of property in corporate structures with unrealised capital gains a higher price than other potential purchasers may be prepared to pay. This is because those unrealised gains will be extinguished following the acquisition of the relevant corporate entity by the Company.

Dividend policy

Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay a regular dividend to Shareholders on a quarterly basis. Once the Company is fully invested the Board expects to pay an annualised dividend of 5 pence per Ordinary Share. It is expected that the first quarterly dividend will be paid once the net proceeds of the Offer and available borrowings have been invested in income producing investments. The Directors intend to set the proposed level of dividend for future financial years after taking into account the long term income return of the Property Portfolio and the diversity and covenant strength of the tenants. It is the Board's policy that in paying dividends it should target a high level of dividend cover.

Dividends on the Ordinary Shares are expected to be paid in equal instalments quarterly in respect of each financial year from 1 October to 30 September in February, May, August and November. All dividends will be paid as interim dividends.

There are no assurances that these dividends will be paid or that the Company will pay any dividends.

In accordance with the REIT Eligibility Conditions, it is expected that a significant proportion of dividends will be paid in the form of Property Income Distributions.

Gearing policy

Gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 50 per cent. at the time of drawdown.

Provided the Board believes that gearing will enhance Shareholder returns, the Board will put in place borrowings. In current market conditions the Board intends to target initial gearing of approximately 40 per cent. of gross assets. Therefore, the Company expects to enter into a debt facility which will be drawn down to fund further acquisitions once the Company has fully invested the proceeds of the Offer. The Board intends to consider with its advisors the most attractive structure for the borrowings based on the market conditions at the time the borrowings are put in place. However, it is expected that such borrowings will be a term loan bank facility.

Group structure and subsidiaries

The Company currently has no subsidiaries. The structure to be used for any future acquisition of property assets will be reviewed at the time of the relevant acquisition and the Company may invest in property assets by means of any structure which is considered to be appropriate in the circumstances of the proposed acquisition. Accordingly, the Company may, without limit, incorporate subsidiaries to hold property assets or may acquire the share capital of companies, partnership interests in partnerships or units in unit trusts (or similar vehicles) which own one or more properties, all of which would be wholly owned by the Company.

The Company may also invest up to 25 per cent. of its total assets at the time of investment in joint ventures which hold real estate directly.

Capital structure

Share capital

The share capital of the Company consists solely of Ordinary Shares denominated in Sterling. At any general meeting of the Company each Shareholder has on a show of hands one vote and on a poll one vote in respect of each Ordinary Share held.

Further issues of Ordinary Shares

It is the Board's current intention that, once the proceeds of the Offer and available borrowings are largely committed to new investments, it will explore opportunities to increase the size of the Company through further equity issues. The Board may consider issuing additional Ordinary Shares to fund further acquisitions of UK real estate assets when the Directors consider it to be advantageous and in the best interests of the Company to do so. The Directors shall only allot and issue Ordinary Shares at a price which is not less than the Net Asset Value per Ordinary Share.

The Act and the Listing Rules confer rights of pre-emption in respect of the allotment and issue of the Ordinary Shares. Pursuant to a special resolution passed at a general meeting of the Company held on 24 April 2015, it was resolved to disapply the pre-emption rights in relation to the issue of up to 50 million Ordinary Shares for the period concluding on the conclusion of the annual general meeting of the Company to be held in 2017. The Directors intend to seek shareholder authority to allot and issue Shares on a non pre-emptive basis at each subsequent annual general meeting of the Company.

Duration

As the Company is a long term investment vehicle it does not have a fixed life.

Share buybacks

Any buyback of Ordinary Shares will be made subject to the Act, the Listing Rules and within guidelines established from time to time by the Board (which will take into account the income and cash flow requirements of the Company) and the making and timing of any buybacks will be at the absolute discretion of the Board. During the initial investment phase of the Company it is highly unlikely that the Directors will buy back any Ordinary Shares.

The Directors have authority, conditional upon Admission, to buy back up to 14.99 per cent. of the number of Ordinary Shares in issue following Admission. The Directors intend to seek annual renewal of this authority from Shareholders.

Purchases of Ordinary Shares will only be made through the market for cash at prices below the prevailing published Net Asset Value of an Ordinary Share (as last calculated) where the Directors believe such purchases will enhance Shareholder value. Such purchases will also only be made in accordance with the Listing Rules which provide that the price to be paid must not be more than 5 per cent. above the average of the middle market quotations for the Ordinary Shares for the five business days before the purchase is made.

The Company may retain Shares which have been bought back as treasury shares for future sale and may cancel any such Shares. It is the intention of the Board that any Shares that might be held in treasury from time to time would only be sold at a price equal to or above the Net Asset Value per Share (as determined by the Directors at or shortly before such sale). During the period when the Company holds Shares as treasury shares, the rights and obligations in respect of those Shares may not be exercised or enforced by or against the Company. The Company may not vote any Shares whilst they are held as treasury shares. No dividends (excluding the allotment of any bonus shares) can be declared and no other distribution of the Company's assets (including on a winding-up) can be made on Shares whilst they are held as treasury shares.

Rule 9 of the Takeover Code

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of a company, a general offer will normally be required if any further shares are acquired.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director of a company nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder is acquiring shares at a time when it had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buyback by the Company of Ordinary Shares could, therefore, have implications under Rule 9 for Shareholders with significant shareholdings.

TCAM has indicated that it will purchase 25 million Ordinary Shares under the Offer on behalf of its discretionary clients. It is therefore expected that TCAM, on behalf of its discretionary clients, will hold over 50 per cent. of the Company's issued share capital (on the assumption that 50 million Ordinary Shares are issued pursuant to the Offer). If at any time TCAM (or any other party) holds 30 per cent. or more of the issued share capital of the Company but less than 50 per cent. of the issued share capital of the Company, the Company's ability to buy back shares from parties other than TCAM (or *pro rata*) will be restricted unless the Company goes through the Takeover Panel "whitewash procedure", which would require putting a resolution to independent shareholders to approve the buyback.

In the event that TCAM's (or any other party or parties deemed to be acting in concert) holding is 30 per cent. or more of the issued share capital of the Company but less than 50 per cent. of the issued share capital, then the Board will consider whether it is in the best interests of Shareholders to consult with the Takeover Panel to seek its agreement, subject to the approval of independent Shareholders voting on a poll, to waive any obligation that would otherwise arise under Rule 9 of the Takeover Code for TCAM to make a general offer for the Shares which they do not already own as a result of the exercise by the Company of any buyback powers.

At such time, until such resolution is proposed and passed, the Company's ability to buy back Shares from parties other than TCAM (or *pro rata*) may be restricted.

PART 2

MANAGEMENT AND ADMINISTRATION

Directors

The Board comprises three Directors, all of whom are non-executive and independent of the AIFM, the Asset Manager and the Investment Advisor. The Directors are responsible for the determination of the Company's investment policy and the overall supervision of the Company. The Directors are as follows:

John Evans (Chairman) has worked in the investment management industry for over 30 years. He retired from Aberforth Partners, a specialist investment management firm, in 2011 having been one of its founding partners in 1990. He is also a director of Investor Capital Trust plc.

Hugh Little (Chair of the Audit Committee) qualified as a chartered accountant in 1982. In 1986 he joined Aberdeen Asset Management and from 1990 to 2006 oversaw the growth of the private equity business before moving in to the corporate team as Head of Acquisitions. He has previously been a director of Aberdeen Development Capital PLC and Aberdeen Football Club plc.

Alan Robertson is a Fellow of the Royal Institution of Chartered Surveyors (FRICS) with over 30 years experience of working in the commercial real estate sector. He held posts as managing director of Jones Lang LaSalle in both Scotland and Turkey before taking up the post of CEO of Jones Lang LaSalle in the Middle East and North Africa region.

Corporate Governance

As the Company is to be listed on the premium segment of the Official List it will be required, from Admission, to comply with all of the relevant provisions of the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012 (the "Code") or to explain any non-compliance in its annual reports and accounts.

The Board also intends to consider the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies. It is the intention of the Directors that the Company will become a member of the Association of Investment Companies and will comply with the recommendations of the AIC Code and the relevant parts of the Code in all material respects except as disclosed below.

The Company complies with the provisions of the UK Corporate Governance Code other than those relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

Independence

The Board consists solely of non-executive Directors with John Evans as Chairman. All of the Directors are considered by the Board to be independent of the AIFM, the Asset Manager and the Investment Advisor. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. New Directors will receive an induction from the Asset Manager and the Administrator on joining the Board, and all Directors will receive other relevant training as necessary.

Senior independent director

In view of its non-executive nature and the requirement of the Articles that all Directors retire periodically at least every three years, the Board considers that it is not appropriate for a senior independent director to be appointed.

Appointment, re-election and remuneration of Directors

Directors are selected and appointed by the Board as a whole functioning as a nomination committee. It is chaired by John Evans. There is no separate nomination committee as the Board is considered small relative to listed trading companies. The Directors are therefore responsible for reviewing the size, structure and skills of the Board and considering whether any changes are required or new appointments are necessary to meet the requirements of the Company's business or to maintain a balanced Board.

The Articles require that Directors submit themselves for re-election at least every three years. In addition, the Board has agreed that any Director with more than nine years' service will be required to stand for re-election at each annual general meeting. Further details are given at paragraph 5.11 of Part 5 of this document.

The Investment Advisor will provide the AIFM with investment advice in relation to macro economic conditions. The Company does not have a separate remuneration committee as the Board as a whole fulfils the function of a remuneration committee.

Board and Directors' performance appraisal

The performance of the Board committees and individual Directors will be evaluated through an assessment process, led by the Chairman. The performance of the Chairman will be evaluated by the other Directors.

The audit committee

Hugh Little is the chairman of the Company's audit committee which comprises the full Board. In discharging its responsibilities the audit committee will review the annual and half yearly accounts, the system of internal controls, and the terms of appointment and remuneration of the auditor. It is also the forum through which the Auditor reports to the Board. The audit committee is expected to meet at least once a year. The objectivity of the Auditor will be reviewed by the audit committee, which will also review the terms under which the Auditor is appointed to perform non-audit services. The audit committee will review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the Auditor, with particular regard to non-audit fees.

The management engagement committee

John Evans is the chairman of the Company's management engagement committee which comprises the full Board. The management engagement committee will review the appropriateness of the AIFM's continuing appointment, together with the terms and conditions thereof on a regular basis.

The investment committee

The investment committee will comprise the full Board. It will be chaired by John Evans. The investment committee will be responsible for authorising all purchases and sales within the Property Portfolio.

The investment committee has written terms of reference which are reviewed at least annually and clearly define their responsibilities and duties.

The Management Arrangements

AIFM

The Company has appointed R&H Fund Services (Jersey) Limited as its AIFM pursuant to the AIFM Agreement, the terms of which are set out in more detail below and in Part 5 of this document.

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, although 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.

The AIFM has also delegated certain advisory functions to the Investment Advisor pursuant to the terms of the Investment Advisory Agreement. The Investment Advisor will provide the Company and the AIFM with certain investment advice including advice in relation to the general economic and market conditions in the UK and advice in relation to the Company's cash holdings.

Under the terms of the AIFM Agreement, the AIFM is also responsible for obtaining and maintaining from the FCA or the Jersey Financial Services Commission all approvals necessary for the AIFM to be appointed and continue to act as AIFM 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 Company's 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.

The AIFM is a limited liability company which is a non-EU Alternative Investment Fund Manager and is authorised and regulated by the Jersey Financial Services Commission. Established in 1988, the AIFM currently acts as Alternative Investment Fund Manager for a number of funds which comprise over 105 separate client portfolios with approximately £822,807,676 under management.

Asset Manager

Drum Property Group is currently actively involved in a wide variety of real estate projects including residential, retail, office and business park developments with an end value in excess of £1 billion. In 2013/14 Drum Property Group pre-let over 550,000 square foot of office, retail and hotel accommodation, with a further 570,000 square foot being sold to private investors and funds for over £180 million. At the Scottish Property Awards 2015 Drum Property Group were named Property Company of the Year.

The group is privately owned and managed by a multi disciplinary team of executive directors, with over 130 years experience in the real estate sector between them. The executive directors have day to day involvement in all current and future projects.

In its capacity as asset manager, the Asset Manager will be 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 expiry and, where appropriate, managing refurbishments to increase rental income or capital values.

The Asset Manager's team comprises 10 property professionals. The key personnel who will be responsible for managing the Property Portfolio are:

Graeme Bone is the founder and principal shareholder of the Drum Property Group. After qualifying as a solicitor, he practiced as a Partner of an Aberdeen law firm for seven years prior to focusing on the real estate sector. He has over twenty years experience in the financing and delivery of complex land assembly, development and investment projects.

Bryan Sherriff is a Fellow of the Royal Institution of Chartered Surveyors (FRICS) with over 20 years experience in UK commercial property, and will have lead responsibility for sourcing and managing assets for the Property Portfolio. Previously, Bryan held the position of Head of Property with Stockland UK, with responsibility for an investment and development portfolio worth in excess of £1.5bn spread across all commercial property sectors throughout the UK. Bryan has considerable experience of all UK commercial and retail sectors and an established track record of intensive asset and development management – having acted for a wide portfolio of institutional investors and advised various lenders regarding distressed situations.

Stuart Oag qualified as a Chartered Accountant with KPMG, Stuart has almost 20 years' of finance and property experience with particular experience in the setting and implementation of corporate strategy, finance, company and property acquisitions and disposals. Stuart has secured over £500 million of finance over that period, with all the major banking groups, and the institutional market and was responsible for a significant number of acquisitions and disposals across both the property and corporate sectors, ranging from £500,000 to over £70 million in scope.

Fife Hyland has over 20 years experience in communications, brand marketing, HR and event management, having worked for several marketing services groups, as well as owning and running his own communications agency. Fife oversees Drum Property Group's communication and operations activity, and will have a particular focus on the Company's stakeholder liaison and communication programme. He has been a Fellow of the Marketing Society (Scotland) since 2008.

Gordon Milne is a qualified Chartered Quantity Surveyor and Project Manager with over 30 years' project management experience in construction and development on major projects throughout the UK. Gordon has overseen the delivery of many major projects across the UK for multi-national corporations and UK institutions and he currently project manages the construction and delivery of all developments for the Drum Property Group.

Paul Doherty entered the property development industry in 1990, after beginning his career in general practice surveying. He has been involved in various large-scale strategic developments across the country and has delivered multiple projects for a variety of FMCG companies and high street retailers. Paul has been with Drum Property Group for almost 10 years, and is responsible for identifying and delivering all development projects.

It is expected that the executive directors of the Drum Property Group will invest not less than £2 million in the Company, in aggregate.

Investment Advisor

TCAM provide investment management services as part of a wider interdisciplinary group giving them the broadest perspective when considering potential investments. They focus on making long term investments that offer returns measured over generations. Potential investments are subjected to a rigorous risk framework which includes analysis of how the investment will likely behave under a range of scenarios that they foresee unfolding in the global economic environment. The quantitative analysis team at TCAM have the ability to offer expert advice on the macro economic environment and meet regularly with their extensive network of fund managers to build a qualitative picture of the investment landscape.

TCAM will invest £25 million in the Company on behalf of its discretionary clients. This investment will be spread across approximately 200 underlying clients and will be managed by around eight investment managers whose decisions in relation to the Shares will be unfettered by TCAM.

Management Agreements

The Company has entered into the AIFM Agreement with the AIFM under which the AIFM has been appointed to act as the Company's Alternative Investment Fund Manager with responsibility for the portfolio management and risk management of the Company's investments subject to the overall supervision of the Directors. The AIFM manages the Company's investments in accordance with the policies laid down by the Board and in accordance with the investment restrictions referred to in the AIFM Agreement.

Pursuant to the terms of the Asset Management Agreement, the AIFM has delegated portfolio management services relating to the Company to the Asset Manager on the same terms as the AIFM Agreement. The AIFM has also delegated certain advisory functions to the Investment Advisor pursuant to the terms of the Investment Advisory Agreement. The AIFM has, and shall maintain, necessary expertise and resources to supervise the delegated tasks effectively and shall ensure compliance with the AIFMD and other applicable law. The Asset Manager will advise the Company on the acquisition, management and disposal of the real estate assets in the Property Portfolio. The Investment Advisor will provide the AIFM with investment advice in relation to macro economic conditions.

The AIFM Agreement provides that the Company will pay to the AIFM a fixed fee of £15,000 per annum plus an annual portfolio management fee of 0.8 per cent. of the net assets of the Company and an investment advisory fee of 0.45 per cent. of the net assets of the Company. The AIFM has agreed that the portfolio management and the investment advisory fees will be paid to the Asset Manager and Investment Advisor respectively, in accordance with the terms of the Asset Management Agreement and the Investment Advisory Agreement. 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.

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 Property Portfolio, the Asset Manager would not be entitled to retain such commissions.

The Management Agreements are terminable by any party on 12 months' written notice, provided that such notice shall expire no earlier than the fourth anniversary of Admission. The Management Agreements may be terminated immediately by the Company if the AIFM, Asset Manager or Investment Advisor is in material breach of an agreement, guilty of negligence, wilful default or fraud or is the subject of insolvency proceedings. The AIFM Agreement and/or the Asset Management Agreement may be terminated immediately by the Company if 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 may be terminated immediately if the Asset Manager is directly appointed as AIFM of the Company. Further details of the Management Agreements are set out in paragraphs 8.1, 8.2 and 8.3 of Part 5 of this document.

Conflicts of interest

The Asset Manager and its officers and employees may be involved in other financial, investment or professional activities, that may on occasion give rise to conflicts of interest with the Company. Although the Asset Manager is not currently managing any other fund and has in place a conflicts of interest and asset allocation policy, while fulfilling its responsibilities to the Company, it may be subject to certain conflicts of interest arising from its relations with third parties to whom it also owes duties or in whom it has an interest. The Asset Manager will have regard to its obligations under the Asset Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise.

Administration and secretarial arrangements

R&H Fund Services Limited has been appointed as administrator and secretary pursuant to the Administration and Secretarial Agreement. In such capacity, the Administrator is responsible for general secretarial functions required by the Act and for ensuring that the Company complies with its Articles and its continuing obligations as a company listed on the premium segment of the Official List. The Administrator is also responsible for the Company's general administrative functions as set out in the Administration and Secretarial Agreement.

A fixed fee of £75,000 per annum is payable by the Company to the Administrator pursuant to the Administration and Secretarial Agreement. 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 Administration and Secretarial Agreement can be terminated by the Company or the Administrator on six months' written notice. Further details of the Administration and Secretarial Agreement are set out in paragraph 8.4 of Part 5 of this document.

Net Asset Value publication and calculation

The properties acquired by the Company will be valued by an independent valuer quarterly in accordance with the Red Book. The Net Asset Value attributable to the Ordinary Shares will be published quarterly based on the most recent valuation of the Property Portfolio and in accordance with IFRS. The Net Asset

Value will be calculated by the Administrator based on information provided by the Asset Manager and published through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. It is expected that the first Net Asset Value of the Ordinary Shares will be published in respect of the period from Admission to 30 September.

The calculation of the Net Asset Value per Ordinary Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

Shareholder meetings, reports and accounts of the Company

The Company will hold an annual general meeting in February each year, starting in 2017.

The Company's annual report and accounts will be prepared up to 30 September each year. The first full annual reports and accounts will be published in respect of the period from 1 April 2015 to 30 September 2016. It is expected that copies will be sent to Shareholders by the following February. Shareholders will also receive an unaudited half yearly report covering the six months to 31 March each year, expected to be despatched in the following May.

Accounting policy

The audited accounts of the Company will be prepared under IFRS and the AIC SORP. Financial statements prepared by the Company in accordance with IFRS will include a statement of comprehensive income, a balance sheet, a statement of changes in equity and cash flow statement.

Within the statement of comprehensive income there is no requirement to differentiate between revenue and capital items. Gains/losses on investments within the statement of comprehensive income will be presented as the movement in fair value of the investment properties and any gains/losses on disposals of investment properties.

The Company's management and administration fees, finance costs and all other expenses will be charged through the statement of comprehensive income. Costs directly relating to the issue of new Ordinary Shares will be offset against the Company's share premium account.

Annual expenses

The principal annual expenses of the Company will be the fees payable to the AIFM, the Asset Manager, the Investment Advisor, the Administrator, the Valuer and the Directors. The Company will also incur regulatory fees, insurance costs, professional fees, audit fees and other expenses. It is estimated (on the basis that the Offer is fully subscribed) that the annualised total expenses of the Company for the period ending 30 April 2016 (excluding the Offer Costs, capital expenditure and refurbishment and irrecoverable property running costs) will be approximately £956,000 (being 1.9 per cent. of the net assets). It is estimated (on the basis that the Minimum Offer Proceeds are raised) that such expenses will be approximately £540,000 (being 2.0 per cent. of the net assets).

The annual expenses of the Company will be capped at 2.0 per cent. of the Net Assets. 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 are capped at 2.0 per cent.

PART 3

THE OFFER

The Offer

The Company is offering up to 50 million Ordinary Shares under the Offer. No commission is payable by the Company to new investors under the Offer. The Ordinary Shares will be issued at a price of 100 pence. The Offer Costs will be approximately £1 million (on the assumption that the Offer is fully subscribed).

The net proceeds of the Offer will be used by the Company to fund the acquisition of a portfolio of UK commercial real estate assets.

The Offer, which is not underwritten, is conditional upon:

- (a) (i) the UKLA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Ordinary Shares arising under the Offer to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the Financial Conduct Authority and any listing conditions having been satisfied; (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the new Ordinary Shares will be admitted to trading; and (iii) Admission occurring on or before 8.00 a.m. on 29 May 2015 or such time and/or date as the Company and the Sponsor, in conjunction with the Asset Manager, may agree, being not later than 30 June 2015; and
- (b) the gross proceeds of the Offer being the equivalent of at least £30 million (the "Minimum Offer Proceeds").

The Minimum Offer Proceeds condition, set out in paragraph (b) above, may only be revised or waived where the Company publishes a supplementary prospectus (including a working capital statement based on a revised minimum proceeds figure). If these conditions are not met the Offer will not proceed and, in such an event, subscription monies will be returned without interest at the risk of the applicant to the bank account from which the money was received. The Board, based on advice received from the Asset Manager and Investment Advisor, believes that the Company will achieve the minimum subscription level of £30 million.

The Directors believe that the profile of a typical investor in the Company is an institution or professionally advised individual who is seeking a regular level of income with the potential for income and capital growth over the longer term, from investing in a diversified portfolio of UK commercial real estate assets and who understands and accepts the risks inherent in the Company's investment policy.

Investors (save for certain overseas investors) may apply for Ordinary Shares through the Offer. The aggregate subscription price is payable in full on application. Applications under the Offer must specify a fixed sum in sterling, being the aggregate subscription price for the Ordinary Shares for which they wish to apply at the Offer Price. Individual applications must be for Ordinary Shares with a minimum aggregate value at the Offer Price of £1,000 and applications in excess of that amount should be made in multiples of £1,000.

The procedure for, and the terms and conditions of, application under the Offer for Subscription are set out at the end of this document and an Application Form for use under the Offer for Subscription is attached. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisors if they are in any doubt.

Completed Application Forms in relation to the Offer for Subscription must be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or delivered by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by 5.00 p.m. on 26 May 2015.

Scaling back

A maximum of 50 million Ordinary Shares are available under the Offer. The Company reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Offer. In the event that subscriptions exceed the maximum number of Ordinary Shares available under the Offer, the Directors will scale back subscriptions under the Offer at their discretion, with preference given to earlier applications.

Accordingly, applicants for Ordinary Shares may, in certain circumstances, not be allotted the number of Ordinary Shares for which they have applied.

The result of the Offer (and any scaling back) will be announced immediately prior to Admission through a Regulatory Information Service. The balance of subscription monies in the event of scaling back (or unsuccessful applications) will be posted to applicants by cheque, without interest, at the applicant's own risk.

Fractions

Fractions of Ordinary Shares will not be issued. To the extent that (other than on a scaling back) the fixed sum specified in relation to any applications for Ordinary Shares exceeds the aggregate value, at the Offer Price, of the Ordinary Shares issued pursuant to such application, the balance of such sum (which will never exceed the Offer Price per Share) will be retained for the benefit of the Company.

Listing and dealing

It is expected that the Ordinary Shares will be admitted to the Official List and to trading on the Main Market on 29 May 2015. No dealings will commence before this date.

Ordinary Shares issued pursuant to the Offer will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates in respect of the Ordinary Shares will, where requested or required by law, be despatched during the week commencing 1 June 2015. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the Company's register of members. The Offer cannot be revoked after dealings have commenced on 29 May 2015. The ISIN number for the Ordinary Shares is GB00BW4NWS02.

Offer Costs

The costs and expenses of the Offer include the costs of incorporation of the Company, the fees payable to professional advisors and other related expenses.

The Costs Contribution Agreement provides that Offer Costs, which are payable by the Company shall be capped at 2.0 per cent. of the proceeds raised pursuant to the Offer (being an amount equal to the number of Shares issued multiplied by the Offer Price). In respect of the costs that exceed this amount, the Asset Manager shall be responsible for paying any costs in excess of such amount. The Asset Manager has agreed to rebate to the discretionary clients of TCAM 1.0 per cent. of the gross proceeds subscribed by them.

The net proceeds of the Offer are expected to be £49 million (on the assumption that the Offer is fully subscribed) and they will be used by the Company to invest in and acquire a portfolio of UK commercial real estate assets.

ISAs

Any person wishing to apply for Ordinary Shares under the Offer through any ISA or savings plan should contact their ISA or savings plan manager as soon as possible.

The Ordinary Shares will be a qualifying investment for the stocks and shares component of an ISA, provided they are acquired by an ISA plan manager pursuant to the Offer. Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Ordinary Shares through an ISA is restricted to certain UK resident individuals aged 18 or over and subject to applicable annual subscription limits (£15,240 in respect of a new ISA from 6 April 2015). A disposal of Ordinary Shares in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in the relevant tax year.

Shares in equities listed on the Main Market, such as the Company, only qualify for the stocks and shares component of an ISA where the investments of the REIT themselves continue to meet certain tests laid down by law. The intention of the Directors is to manage the Company in a way which will allow the Ordinary Shares to qualify as ISA investments.

Overseas investors

The Ordinary Shares have not been, nor will be, registered under the US Securities Act or under the securities legislation of any state or other political sub-division of the United States and the relevant clearances have not been and will not be, obtained from the securities commission of any province or territory of Canada, Australia or Japan and they may not, subject to certain exceptions, be offered or sold directly or indirectly in, into or within the US, Canada, Australia or Japan or to, or for the account or benefit of, a US Person (as defined in the US Securities Act) or any national, citizen or resident of the US, Canada, Australia or Japan. This document does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

The making of the Offer to overseas investors may be affected by the laws or regulatory requirements of relevant jurisdictions. Overseas investors who wish to subscribe for Ordinary Shares under the Offer are referred to paragraphs 22 and 23 of the Terms and Conditions of Application under the Offer set out at the end of this document. Potential investors who are in any doubt as to their position in this respect are strongly recommended to consult their own professional advisors as soon as possible.

Money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents, the Administrator, the AIFM, the Asset Manager and the Investment Advisor may require evidence in connection with any application for Ordinary Shares, including further identification of the applicant(s) before any Ordinary Shares are issued.

The Company and its agents, the AIFM, the Administrator, the Asset Manager, the Investment Advisor and the Sponsor reserve the right to request such information as is necessary to verify the identity of the prospective Shareholder and (if any) the underlying prospective beneficial owner of the Ordinary Shares. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Sponsor, the Administrator, the AIFM, the Asset Manager and the Investment Advisor, may refuse to accept a subscription for Ordinary Shares.

PART 4

TAXATION

1. General

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise in relation to the Company and Shareholders. This is not a comprehensive summary of all technical aspects of the taxation of the Company and its Shareholders and is not intended to constitute legal or tax advice to investors. Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisors on, the overall tax consequences of investing in the Company. The statements relate to investors acquiring Ordinary Shares for investment purposes only, and not for the purposes of any trade. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.

The statements below relate to the UK tax implications of a UK resident individual investing in the Company (unless expressly stated otherwise). The tax consequences may differ for investors who are not resident in the UK for tax purposes. Investors should seek their own professional advice as to this, as well as to any other relevant laws and regulations in the jurisdiction in which they are resident for tax purposes. The statements are based on current tax legislation and HMRC practice, both of which are subject to change at any time, possibly with retrospective effect.

2. UK Tax treatment of the Company and the REIT regime

Unless and until REIT status is obtained, the Company will be subject to UK corporation tax on its profits and gains. The summary of the REIT Regime applicable in the UK (the "REIT Regime") below is intended to be a general guide only and constitute a high-level summary of the Company's understanding of certain aspects of current UK law and HMRC practice relating to the UK REIT Regime, each of which is subject to change, possibly with retrospective effect. It is not an exhaustive summary of all applicable legislation in relation to the REIT Regime. The UK REIT Regime was introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of CTA 2010.

Investing in property through a UK taxable corporate investment vehicle has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholder may effectively bear tax twice on the same income: first, indirectly, when the corporate investment vehicle pays direct tax on its profits, and secondly, directly (subject to any available exemption or with the benefit of a tax credit) when the shareholder receives a dividend. UK non-tax paying entities, such as UK pension funds, bear tax indirectly when investing through a taxable closed-ended corporate vehicle, that is not a REIT which they would not suffer if they were to invest directly in the property assets.

As part of a group UK REIT, UK resident REIT Group members would no longer pay UK direct taxes on income and capital gains from their "Qualifying Property Rental Businesses" (being businesses within the meaning of section 205 of CTA 2009 or an overseas property business within the meaning of section 206 of CTA 2009, but in each case, excluding certain specified types of business (as per section 519(3) of CTA 2010)) in the UK and elsewhere and non-UK resident REIT Group members with a UK Qualifying Property Rental Business would no longer pay UK direct taxes on income from their UK Qualifying Property Rental Businesses, provided that certain conditions are satisfied. Instead, distributions in respect of the tax-exempt Qualifying Property Rental Businesses will be treated for UK tax purposes as UK property income in the hands of shareholders. The section below entitled "UK tax treatment of Shareholders" contains further detail on the UK tax treatment of shareholders in a REIT.

Gains arising in UK resident companies on the disposal of shares in property owning companies may, however, be subject to UK corporation tax. In addition, REIT Group members will remain subject to overseas direct taxes in respect of any property rental business carried on outside the UK and UK and overseas direct taxes are still payable in respect of any income and gains from the REIT Group's businesses (generally including any property trading business) not included in the Qualifying Property Rental Business (the "Residual Business").

Whilst within the REIT Regime, the Qualifying Property Rental Business will be treated as a separate business for corporation tax purposes from the Residual Business and a loss incurred by the Qualifying Property Rental Business cannot be set off against profits of the Residual Business (and vice versa).

A dividend paid by the Company relating to profits or gains of the Qualifying Property Rental Business of the members of the Group (other than gains arising to non-UK resident members of the Group) is referred to as a "PID" or a "Property Income Distribution". Other normal dividends paid by the Company (including dividends relating to the Residual Business) are referred to as "Non-PID Dividends". Under the REIT Regime, both PIDs and Non-PID Dividends are capable of being satisfied by stock dividends. Section 3 below contains further details on the UK tax treatment of shareholders in a REIT.

The tax treatment of a dividend paid by the Company in the first accounting period after it achieves REIT status would depend on whether it is deemed to be paid out of profits that arose before or after the Company became a REIT. In addition, where on an on-going basis after the Company enters the REIT regime it makes distributions to Shareholders in excess of the amount required to satisfy the "distribution condition" for each accounting period (see below), distributions to Shareholders are likely to consist of a mixture of PID and Non-PID Dividends as calculated in accordance with specific attribution rules. The Company will provide Shareholders with a certificate setting out how much, if any, of their dividends is a PID and how much is a Non-PID dividend.

In this section, references to a company's accounting period are to its accounting period for UK corporation tax purposes. This period can differ from a company's accounting period for other purposes.

Qualification as a REIT

A group becomes a group UK REIT by the principal company serving notice on HMRC before the beginning of the first accounting period for which it wishes the group members to become a REIT. In order to qualify as a REIT, the REIT Group must satisfy certain conditions set out in CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the principal company in the REIT Group (which for the purposes of this Part 4 of the Prospectus will be the Company) must satisfy the conditions set out in paragraphs (A) to (C), (E) and (F) below and the REIT Group as a whole must satisfy the conditions set out in paragraph (D).

(A) *Company conditions*

The principal company of a REIT Group must be solely UK resident for tax purposes, admitted to trading on a recognised stock exchange and it must not be an open-ended investment company. The principal company's shares must either be listed on a recognised stock exchange throughout each accounting period or traded on a recognised stock exchange in each accounting period. This requirement is relaxed in the REIT Group's first three accounting periods but the REIT Group can benefit from this relaxation only once. The principal company must also not (apart from in circumstances where it is only a close company because it has as a participator an institutional investor as defined in section 528(4A) of CTA 2010) be a "close company" (as defined in section 439 of CTA 2010 as amended by section 528(5) of CTA 2010) (the "close company condition"). In summary, the close company condition amounts to a requirement that the company cannot be under the control of 5 or fewer participators, or of participators who are directors (and participators for these purposes is defined in section 454 of CTA 2010), subject to certain exceptions. The close company condition is relaxed for the REIT Group's first three years.

(B) *Share capital restrictions*

The principal company of the REIT Group must have only one class of ordinary share in issue. The only other shares it may issue are non-voting restricted preference shares, including shares which would be restricted preference shares but for the fact that they carry a right of conversion into shares or securities in the Company.

(C) *Borrowing restrictions*

The principal company must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets (subject to exceptions). In addition, the amount repayable must either not exceed the

amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

(D) Qualifying Property Rental Business Conditions (including the Balance of Business conditions)

The REIT Group must satisfy, amongst other things, the following conditions in respect of each accounting period during which the REIT Group is to be treated as a REIT:

- (a) the Qualifying Property Rental Business must throughout the accounting period involve at least three properties;
- (b) throughout the accounting period no one property may represent more than 40 per cent. of the total value of the properties involved in the Qualifying Property Rental Business. Assets must be valued in accordance with international accounting standards and at fair value when international accounting standards offers a choice between a cost basis and a fair value basis;
- (c) the income profits arising from the Qualifying Property Rental Business must represent at least 75 per cent. of the REIT Group's total income profits for the accounting period (the "75 per cent. profits condition"). Profits for this purpose means profits calculated in accordance with IAS, before deduction of tax and excluding, broadly, gains and losses on the disposal of property and gains and losses on the revaluation of properties, and certain items outside the ordinary course of business;
- (d) at the beginning of the accounting period the value of the assets in the Qualifying Property Rental Business must represent at least 75 per cent. of the total value of assets held by the REIT Group (the "75 per cent. assets condition"). Cash held on deposit and gilts or relevant UK REIT Shares are included in the value of the assets relating to the Qualifying Property Rental Business for the purpose of meeting this condition.

In addition, the Qualifying Property Rental Business does not include any property which is classified as owner-occupied in accordance with generally accepted accounting practice (subject to certain exceptions).

(E) Distribution condition

The principal company of the REIT will be required (to the extent permitted by law) to distribute to shareholders (by way of cash or stock dividend), on or before the filing date for the principal company's tax return for the accounting period in question, at least 90 per cent. of the Group's property rental business profits as calculated for tax purposes (broadly, calculated using normal UK corporation tax rules) of the UK resident members of the REIT Group in respect of their Qualifying Property Rental Business and of the non-UK resident members of the REIT Group insofar as they are derived from their UK Qualifying Property Rental Business arising in each accounting period (the "90 per cent. distribution condition"). Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure, although in certain circumstances where the profits of the period are increased from the amount originally shown in the Financial Statements delivered to HMRC (see below), this charge can be mitigated if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level. For the purpose of satisfying the distribution condition, any dividend withheld in order to comply with the 10 per cent. rule (as described below) will be treated as having been paid.

(F) Financial Statements

The principal company must prepare financial statements (the "Financial Statements") in accordance with statutory requirements set out in Sections 532 and 533 of CTA 2010 and submit these to HMRC. In particular, the Financial Statements must contain the information about the Qualifying Property Rental Business and the Residual Business separately.

Effect of becoming a REIT

(A) *Tax Exemption*

- (a) As a REIT, the REIT Group will not pay UK corporation tax on profits and gains from the Qualifying Property Rental Business. Corporation tax will still apply in the normal way in respect of the Residual Business.
- (b) Corporation tax could also be payable were the shares in a member of the REIT Group to be sold (as opposed to property involved in the Qualifying Property Rental Business). The REIT Group will also continue to pay all other applicable taxes including VAT, stamp duty land tax, stamp duty, PAYE, rates and national insurance contributions in the normal way.

(B) *Dividends*

- (a) When the principal company of a REIT Group pays a dividend, that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution condition (and where it relates to profits or gains of the Qualifying Property Rental Business of the members of the REIT Group, other than gains arising to non-UK resident members of the Group). If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend to the extent there are any profits of the current or previous years which derive from activities of a kind in respect of which corporation tax is chargeable in relation to income (e.g. profits of the Residual Business). Any remaining balance of the dividend (or other distribution) will generally be deemed to be a PID, firstly in respect of the remaining income profits of the Qualifying Property Rental Business for the current year or previous years and secondly, in respect of capital gains which are exempt from tax by virtue of the REIT Regime (in either case distributed as a PID). Any remaining balance will be attributed to other Non-PID Dividends.
- (b) Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent). Further details of the United Kingdom tax treatment of certain categories of shareholder while the Group is in the REIT Regime are contained in the section below entitled "UK tax treatment of Shareholders".
- (c) If the REIT Group ceases to be a REIT, dividends paid by the principal company may nevertheless be PIDs to the extent they are paid in respect of profits and gains of the Qualifying Property Rental Business that arose whilst the REIT Group was within the REIT Regime.

(C) *Interest cover ratio*

A tax charge will arise if, in respect of any accounting period, the REIT Group's ratio of income profits (before interest, capital allowances and losses brought forward) to financing costs (in both cases in respect of its Qualifying Property Rental Business) is less than 1.25:1. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 (subject to a cap of 20 per cent. of the income profits) is chargeable to corporation tax.

(D) *The "10 per cent. rule"*

- (a) The principal company of a REIT Group may become subject to an additional tax charge if it pays a dividend to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company. Shareholders should note that this tax charge only applies where a dividend is paid to persons that are companies or are treated as bodies corporate in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement, or in accordance with such a double taxation agreement. It does not apply where a nominee has such a 10 per cent. or greater holding unless the persons on whose behalf the nominee holds the shares meets the test in their own right.
- (b) This tax charge will not be incurred if the principal company has taken reasonable steps to avoid paying dividends to such a person. HMRC guidance describes certain actions that might be taken to show it has taken such "reasonable steps". One of these actions is to

include restrictive provisions in the principal company's articles of association to address this requirement. The Articles (as summarised in paragraph 5 of Part 5 of this document) are consistent with the provisions described in the HMRC guidance.

(E) Property development and property trading by a REIT

- (a) A property development undertaken by a member of the REIT Group can be within the Qualifying Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (a) the date on which the relevant company becomes a member of a REIT, and (b) the date of the acquisition of the development property, and the REIT sells the development property within the three years beginning with the completion of the development, the property will be treated as never having been part of the Qualifying Property Rental Business for the purposes of calculating any gain arising on disposal of the property (and any tax exempt market value deemed disposal of the property on entry to the UK REIT Regime will be ignored). Any gain will be chargeable to corporation tax.
- (b) If a member of the REIT Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Qualifying Property Rental Business for the purposes of calculating any profit arising on disposal of the property (and any tax exempt market value deemed disposal of the property on entry to the REIT Regime will be ignored). Any profit will be chargeable to corporation tax.

(F) Movement of assets in and out of Qualifying Property Rental Business

In general, where an asset owned by a UK resident member of the REIT Group and used for the Qualifying Property Rental Business begins to be used for the Residual Business, there will be a tax exempt market value disposal of the asset. Where an asset owned by a UK resident member of the REIT Group and used for the Residual Business begins to be used for the Qualifying Property Rental Business, this will generally constitute a taxable market value disposal of the asset for UK corporation tax purposes, except for capital allowances purposes.

(G) Joint Ventures

- (a) The REIT Regime also makes certain provisions for corporate joint ventures. If one or more members of the REIT Group are beneficially entitled, in aggregate, to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, that joint venture company (or its subsidiaries) is carrying on a Qualifying Property Rental Business which satisfies the 75 per cent. profits condition and the 75 per cent. assets condition (the "JV company") and certain other conditions are satisfied, the principal company may, by giving notice to HMRC, elect for the joint venture company and its subsidiaries to be treated as a member of the REIT Group (on a proportionate basis). This will result in the assets and income of the JV company to be included in the Qualifying Property Rental Business for tax purposes (on a proportionate basis). In such circumstances, the income of the JV company will count towards the 90 per cent. distribution condition and the 75 per cent. profits condition, and its assets will count towards the 75 per cent. assets condition (on a proportionate basis).
- (b) The REIT Group's share of the underlying income and gains arising from any interest in a tax transparent vehicle carrying on a Qualifying Property Rental Business, including offshore unit trusts or partnerships, should automatically fall within the REIT tax exemption, and will count towards the 75 per cent. profits and assets conditions, provided the REIT Group is entitled to more than 20 per cent. of the profits of the relevant tax transparent vehicle. The REIT Group's share of the Qualifying Property Rental Business profits arising will also count towards the 90 per cent. distribution condition.

(H) Acquisitions and takeovers

- (a) If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in

respect of the profits of its Qualifying Property Rental Business and capital gains on disposal of properties in the Qualifying Property Rental Business.

- (b) The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT (unless the acquirer qualifies as an Institutional Investor and the REIT's shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) and will therefore be treated as leaving the REIT Regime at the end of its accounting period preceding the takeover and ceasing from the end of that accounting period to benefit from tax exemptions on the profits of its Qualifying Property Rental Business and capital gains on disposal of property forming part of its Qualifying Property Rental Business. The properties in the Qualifying Property Rental Business are treated as having been sold and reacquired at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax exempt as they are deemed to have been made at a time when the acquired REIT was still in the REIT Regime and future capital gains on the relevant assets will therefore be calculated by reference to a base cost equivalent to this market value. If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be recharacterised retrospectively as normal dividends.

(l) *Certain tax avoidance arrangements*

If HMRC thinks that a member of the REIT Group has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Qualifying Property Rental Business. In addition, if HMRC consider that the circumstances are sufficiently serious or if two or more notices in relation to the obtaining of a tax advantage are issued by HMRC in a ten year period, they may require the REIT Group to exit the REIT Regime.

Exit from the REIT Regime

The principal company of the REIT Group can give notice to HMRC that it wants to leave the REIT Regime at any time. The Board retains the right to decide that the REIT Group should exit the REIT Regime at any time in the future without shareholder consent if it considers this to be in the best interests of the REIT Group.

If the REIT Group (or a member of the REIT Group) voluntarily leaves the REIT Regime within ten years of joining and disposes of any property that was involved in its Qualifying Property Rental Business within two years of leaving, any deemed disposal on entry into the REIT Regime that resulted in a gain or deemed disposal on exit from the REIT Regime (or as a movement from the Qualifying Property Rental Business to the Residual Business) is disregarded in calculating the gain or loss on the disposal.

It is important to note that it cannot be guaranteed that the Company or the REIT Group will comply with all of the REIT conditions and that the REIT Regime may cease to apply in some circumstances. HMRC may require the REIT Group to exit the REIT Regime if:

- (a) it regards a breach of certain conditions relating to the REIT Regime, or an attempt to obtain a tax advantage, as sufficiently serious; or
- (b) the Company or its REIT Group have committed a certain number of breaches of the conditions in a specified period; or
- (c) HMRC has given members of the REIT Group two or more notices in relation to the obtaining of a tax advantage within a ten year period of the first notice having been given.

In addition, if the conditions for REIT status relating to the share capital of the principal company and the prohibition on entering into loans with abnormal returns are breached or the principal company ceases to be UK resident, becomes dual resident or an open-ended company, it will automatically lose REIT status. Where the REIT Group automatically loses REIT status or is required by HMRC to leave the REIT Regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the REIT Group is treated as exiting the REIT Regime.

Shareholders should note that it is possible that the REIT Group could lose its status as a REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a REIT, unless the acquirer qualifies as an Institutional Investor and the REIT's shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) or other circumstances outside the REIT Group's control.

3. UK tax treatment of Shareholders

The statements set out below are intended only as a general guide to certain aspects of current UK tax law and HMRC published practice as at the date of this document and apply only to certain Shareholders resident for tax purposes in the UK (save where express reference is made to non-UK resident persons). The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding Ordinary Shares. This section is divided into two parts. Section A describes the UK taxation of PIDs and Section B describes the UK taxation of Non-PID Dividends.

Prospective purchasers of Ordinary Shares are advised to consult their own independent tax advisors concerning the consequences under UK tax law of the acquisition, ownership and disposition of Ordinary Shares.

The statements are not applicable to all categories of Shareholders, and in particular are not addressed to (i) Shareholders who do not hold their Ordinary Shares as capital assets or investments or who are not the absolute beneficial owners of those shares or dividends in respect of those shares, (ii) some Shareholders who own (or are deemed to own) 10 per cent. or more of the share capital or of the voting power of the Company or are entitled to 10 per cent. or more of the Company's distributions, (iii) special classes of Shareholders such as dealers in securities, broker dealers, insurance companies, trustees of certain trusts and investment companies, (iv) Shareholders who hold Ordinary Shares as part of hedging or commercial transactions, (v) Shareholders who hold Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or otherwise), (vi) Shareholders who hold Ordinary Shares acquired by reason of their employment, (vii) Shareholders who hold Ordinary Shares in a personal equity plan or an individual savings account or (viii) Shareholders who are subject to UK taxation on a remittance basis, or (ix) Shareholders who are not resident in the UK for tax purposes (save where express reference is made to non-UK resident Shareholders).

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of shares in the Company, in each case after the Company becomes a REIT. Distributions paid by the Company prior to entry into the REIT Regime will be paid as Non-PID Dividends (please refer to section B below).

Section A – UK taxation of PIDs

(A) UK taxation of Shareholders who are individuals

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in Part 3 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business. Income from any other UK property business (a "different UK property business") carried on by the relevant Shareholder must be accounted for separately. This means that any surplus expenses from a Shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business. A Shareholder who is subject to income tax at the basic rate will be liable to pay income tax at 20 per cent. on the PID. Higher rate taxpayers will be subject to tax at 40 per cent. and additional rate taxpayers at 45 per cent. No dividend tax credit will be available in respect of PIDs. However, credit will be available in respect of the basic rate tax withheld by the Company (where required) on the PID.

Please see paragraph (D) below entitled "Withholding tax and PIDs" below.

(B) UK taxation of UK tax resident corporate Shareholders

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a property business (as defined in Part 4 of CTA 2009) ("Part 4 property business"). A PID is, together with any property income distribution from

any other company to which Part 12 of CTA 2010 applies, treated as a separate Part 4 property business. Income from any other Part 4 property business (a "different Part 4 property business") carried on by the relevant Shareholder must be accounted for separately. This means that any surplus expenses from a Shareholder's different Part 4 property business cannot be offset against a PID as part of a single calculation of the Shareholder's property business profits.

The rate of UK corporation tax on such profit is currently 20 per cent.

Please see paragraph (D) below entitled "Withholding tax and PIDs" below.

(C) *UK taxation of Shareholders who are not resident for tax purposes in the UK*

Where a Shareholder who is not resident for tax purposes in the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding tax. Under Section 548(7) of CTA 2010, this income is expressly not non-resident landlord income for the purposes of regulations under section 971 of the Income Tax Act 2007.

Prospective non-UK tax resident Shareholders should consult their own professional advisors on the implications in the relevant jurisdictions of any non-UK implications of receiving PIDs.

Please see paragraph (D) below entitled "Withholding tax and PIDs" below.

(D) *Withholding tax and PIDs*

(a) *General*

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs (whether paid in cash or in the form of a stock dividend). The Company will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

(b) *Shareholders solely resident in the UK*

Where tax has been withheld at source by the Company, Shareholders who are individuals may, depending on their particular circumstances, be liable to further tax on their PID at their applicable marginal rate, incur no further liability on their PID, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are corporate entities will generally be liable to pay corporation tax on their PID and if (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax, or income tax which they are required to withhold, in the accounting period in which the PID is received.

(c) *Shareholders who are not resident for tax purposes in the UK*

It is not possible for a Shareholder to make a claim under a double taxation convention for a PID to be paid by the Company gross or at a reduced rate. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation convention between the UK and the country in which the Shareholder is resident. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on PIDs received from the Company.

(d) *Exceptions to requirement to withhold income tax*

Shareholders should note that in certain circumstances the Company is not required to withhold income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, or a company resident for tax purposes outside the UK carrying on trade through a permanent establishment in the UK which is required to bring the PID into account in computing its chargeable profits or certain charities. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an individual savings account, the plan manager of a personal equity plan, or the account provider for a child trust fund, in each case, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme, account, plan or fund. In order to pay a PID without withholding

tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Registrar). Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

Section B – UK taxation of Non-PID Dividends

Non-PID Dividends are treated in exactly the same way as dividends received from UK companies that are not REITs. The Company is not required to withhold tax when paying a Non-PID Dividend (whether in cash or in the form of a stock dividend).

(A) UK taxation of Shareholders who are individuals

An individual Shareholder who is resident in the UK (for tax purposes) and who receives a Non-PID Dividend from the Company will generally be entitled to a tax credit which such Shareholder may set off against his total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the Non-PID-Dividend (the “**cash dividend**”) and the tax credit (the “gross dividend”), which is also equal to one-ninth of the cash dividend received. A UK resident individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder’s liability to income tax on the cash dividend.

A UK resident individual Shareholder who is liable to income tax at the higher rate will be liable to tax on the gross dividend at the current rate of 32.5 per cent. A UK resident individual Shareholder who is liable to tax at the “additional” rate will be liable to tax on the gross dividend at the rate of 37.5 per cent. The gross dividend will generally be regarded as the top slice of the Shareholder’s income. After taking into account the 10 per cent. tax credit, a higher rate tax payer will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received). An individual paying “additional” rate income tax will have to account, after taking into account the 10 per cent. tax credit, for additional tax equal to 27.5 per cent. of the gross dividend (which is also equal to approximately 30.56 per cent. of the cash dividend received). It will not be possible for UK resident Shareholders to claim repayment of the tax credit in respect of Non-PID Dividends.

(B) UK taxation of UK resident corporate Shareholders

Shareholders who are subject to UK corporation tax will be subject to corporation tax on Non-PID Dividends paid by the Company, unless the Non-PID Dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder, although it is expected that the Non-PID Dividends paid by the Company would normally be exempt. Shareholders subject to UK corporation tax will not be able to claim repayment of tax credits attaching to Non-PID Dividends.

(C) UK taxation of other UK tax resident Shareholders

Other UK resident Shareholders who are not liable to UK tax on Non-PID Dividends including pension funds and charities, are not entitled to claim repayment of the tax credit.

(D) Taxation of Shareholders who are not resident in the UK for tax purposes

Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to Non-PID Dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Shareholder is resident. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning their tax position on Non-PID Dividends received from the Company.

UK taxation of chargeable gains in respect of Shares in the Company

For the purpose of UK tax on chargeable gains, the amount paid by a Shareholder for Ordinary Shares will constitute the base cost of his holding. If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise. This will depend on the base cost and incidental costs of acquisition and disposal, which can be allocated against the proceeds, and also, the Shareholder's circumstances and any reliefs to which they are entitled. In the case of corporate Shareholders, indexation allowance will apply to the amount paid for the Ordinary Shares.

(A) UK taxation of Shareholders who are UK tax resident individuals

Subject to the availability of any exemptions, reliefs and/or allowable losses, a gain on disposal of Shares by individuals, trustees and personal representatives will generally be subject to capital gains tax at a rate of up to 28 per cent.

(B) UK taxation of UK tax resident corporate Shareholders

Subject to the availability of any exemptions, reliefs and/or allowable losses, a gain on disposal of Shares by a Shareholder within the charge to UK corporation tax will generally be subject to corporation tax at the current rate of 20 per cent.

(C) UK taxation of Shareholders who are not resident in the UK for tax purposes

Shareholders who are not resident in the UK for tax purposes may not, depending on their personal circumstances, be liable to UK taxation on chargeable gains arising from the sale or other disposal of their Shares (unless they carry on a trade, profession or vocation in the UK through a branch or agency with which their Shares are connected or, in the case of a corporate Shareholder, through a permanent establishment in connection with which the Shares are held).

Individual Shareholders who are temporarily not UK resident and who dispose of all or part of their Shares during that period may be liable to UK capital gains tax on chargeable gains realised on their return to the UK, subject to any available exemptions or reliefs.

Shareholders who are resident for tax purposes outside the UK may be subject to foreign taxation on capital gains depending on their circumstances.

UK stamp duty and SDRT

No UK stamp duty or stamp duty reserve tax will generally be payable on the issue, allotment and registration of the Ordinary Shares. UK legislation provides for a 1.5 per cent. stamp duty or SDRT charge where Shares are transferred (in the case of stamp duty) or issued or transferred (in the case of SDRT) (i) to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts. However, HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares or securities into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. The 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares or securities into a clearance service or depositary receipt arrangement unless they are an integral part of an issue of share capital. Accordingly, it may be appropriate to seek specific professional advice before incurring a 1.5 per cent. stamp duty or SDRT charge.

Clearance services may opt, under certain conditions, for the normal rates of stamp duty or SDRT (being 0.5 per cent. of the amount or value of the consideration for the transfer rounded up in the case of stamp duty to the nearest £5.00) to apply to a transfer of shares into, and to transactions within, the service instead of the higher rate of 1.5 per cent. referred to above.

Transfers on sale of Ordinary Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer rounded up to the next £5.00. The purchaser is liable for the stamp duty. An exemption from stamp duty will be available on an instrument transferring the Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. An agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per

cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Agreements to transfer Ordinary Shares within the CREST system will generally be liable to SDRT (rather than stamp duty) at the rate of 0.5 per cent, of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in money or money's worth.

ISAs, SSASs and SIPPs

With effect from 1 July 2014 the new ISA ("NISA") regime commenced in the UK which, amongst other things, removed the concept of stocks and shares and cash components of an ISA. For the 2015/16 tax year NISAs will have a subscription limit of £15,240 (from 6 April 2015), all of which can be invested in stocks and shares.

The Ordinary Shares will be a qualifying investment for the stocks and shares component of an ISA, provided they are acquired by an ISA plan manager pursuant to the Offer.

Shares in equities listed on the Main Market, such as the Company, only qualify for the purposes of an ISA where the investments of the REIT themselves continue to meet certain tests laid down by law. The intention of the Directors is to manage the Company in a way which will allow the Ordinary Shares to continue to qualify as ISA investments.

In addition, the Ordinary Shares in the Company will be eligible for inclusion in a Small Self Administered Scheme (SSAS) or a Self Invested Personal Pension (SIPP).

If you are in any doubt as to your tax position you should consult your professional advisor.

Prospective purchasers of Ordinary Shares should consult their own tax advisors with respect to the tax consequences to them of acquiring, holding and disposing of Ordinary Shares.

PART 5

ADDITIONAL INFORMATION ON THE COMPANY

1. General

- 1.1. 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.
- 1.2. The AIFM is a private limited company and was incorporated in Jersey under the Companies (Jersey) Law, 1991 (the "Law") on 29 November 1988 with the registered number 42576. The AIFM operates under the Law and has an indefinite life. Its registered office is at Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW. The AIFM is authorised and regulated by the Jersey Financial Services Commission.
- 1.3. The Asset Manager is a private limited company and was incorporated and registered in Scotland with the registered number SC475927 on 23 April 2014. The Asset Manager operates under the Act (and the regulations from time to time made thereunder). Its registered office is at 12 Rubislaw Terrace Lane, Aberdeen AB10 1XF and its principal place of business is at 115 George Street, Edinburgh EH2 4JN (telephone number: 0131 225 9595). The Asset Manager is not an authorised or regulated entity, and accordingly is not subject to the same level or regulatory supervision as the AIFM.
- 1.4. The Investment Advisor is a private limited company and was incorporated and registered in Scotland with the registered number SC383455 on 10 August 2010. The Investment Advisor operates under the Act (and the regulations from time to time made thereunder). Its registered office is at Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9EE (telephone number: 0131 228 8111). The Investment Advisor is authorised and regulated by the FCA.
- 1.5. The Administrator is a private limited company and was incorporated in England and Wales under the Act with the registered number 7777299 on 16 September 2011. The Administrator operates under the Act. Its registered office is 6 New Street Square, New Fetter Lane, London EC4A 3AQ. The Administrator's principal place of business is situated at 15-19 York Place, Edinburgh EH1 3EB (telephone number: 0131 524 6140).
- 1.6. The Valuer is a private limited company and was incorporated in England and Wales with the registered number 2605138 on 25 April 1991. The Valuer operates under the Act. Its registered office is at 33 Margaret Street, London W1G 0JD (telephone number: 020 7499 8644).

2. Share Capital

- 2.1. The Company was incorporated with no authorised share capital. At incorporation, the issued share capital of the Company consisted of 50,000 Ordinary Shares of 10 pence each in the capital of the Company, which were issued to the subscribers to the Company's memorandum of association and Articles.
- 2.2. The issued share capital of the Company (all of which will be fully paid-up) as at the date of this document and immediately following Admission (on the assumption that 50 million Ordinary Shares are issued pursuant to the Offer) is and will be as follows:

	<i>Number of Shares</i>
As at date of this document	
Ordinary Shares	50,000
Immediately following Admission	
Ordinary Shares	50 million

- 2.3. As at 24 April 2015 (being the latest practicable date prior to the date of this document) the Company did not hold any Ordinary Shares in treasury and no Ordinary Shares were held by or on behalf of the Company itself or by subsidiaries of the Company.
- 2.4. Save for the subscription of the Ordinary Shares referred to above, since the date of incorporation no share or loan capital of the Company has been issued or (other than pursuant to the Offer for Subscription) has been agreed to be issued or is proposed to be issued, for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.
- 2.5. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.6. The Company does not have in issue any securities not representing share capital. No convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.7. No Ordinary Shares are currently in issue with a fixed date on which entitlement to a dividend arises or within a time limit after which entitlement to a dividend will lapse in accordance with the Articles and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 2.8. No person has voting rights that differ from those of other Shareholders.
- 2.9. It is expected that the new Ordinary Shares relating to the Offer will be issued pursuant to a resolution of the Board on 27 May 2015 conditional only upon the UKLA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Ordinary Shares arising under the Offer to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions") will become effective as soon as a dealing notice has been issued by the Financial Conduct Authority and any listing conditions having been satisfied and the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the new Ordinary Shares will be admitted to trading.

3. Share capital authorities

By resolutions passed at a general meeting of the Company held on 24 April 2015, it was resolved that:

- 3.1. the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Shares up to an aggregate nominal amount of £5 million in connection with the Offer, such authority to expire on 30 June 2015 or, if earlier, immediately after Admission save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;
- 3.2. the Directors were generally empowered (pursuant to section 570 of the Act) to allot Shares pursuant to the authority referred to in paragraph 3.1 above as if section 561 of the Act did not apply to any such allotment, such power to expire on 30 June 2015 or, if earlier, immediately after Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
- 3.3. in addition to the authority referred to in paragraph 3.1 above, the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Shares up to an aggregate nominal amount of £5 million, such authority will expire on the conclusion of the annual general meeting of the Company to be held in 2017, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;

- 3.4. the Directors were generally empowered (pursuant to sections 570 and 573 of the Act) to allot Shares pursuant to the authority referred to in paragraph 3.3 above and to sell Shares from treasury for cash as if section 561 of the Act did not apply to any such allotment, such power will expire on the conclusion of the annual general meeting of the Company to be held in 2017, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
- 3.5. the Company was authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Shares provided that the maximum number of Shares authorised to be purchased is 14.99 per cent. of the Shares in issue immediately following completion of the Offer. The minimum price which may be paid for a Share is 10 pence. The maximum price which may be paid for a Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market value of the Shares for the five Business Days before the purchase is made or (ii) the higher of the last independent trade and the highest current independent bid for Shares. Such authority will expire on the conclusion of the annual general meeting of the Company to be held in 2017 save that the Company may contract to purchase Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Shares in pursuance of such contract; and
- 3.6. subject to confirmation of the High Court, the share capital of the Company in issue immediately following Admission be reduced by cancelling the entire amount standing to the credit of the Company's share premium account and subject to any undertaking required by the High Court, the credit thereby arising in the Company's books of account from the cancellation of the Company's share premium account be applied by crediting a special reserve which shall be applied in any manner in which the Company's profits available for distribution are to be applied (as determined in accordance with the Act and The Companies (Reduction of Share Capital) Order 2008) including by way of dividends.

4. Related party transactions

Save for the deeds of indemnity entered into by the Company with the Directors and the AIFM Agreement (described in paragraphs 6.6 and 8.1 of this Part 5 respectively) the Company is not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No 1606/2002) at any time since its incorporation on 26 March 2015.

5. Summary of the Articles

The Articles were adopted on 24 April 2015 by way of a special resolution of the Company and contain provisions, *inter alia*, to the following effect.

5.1. Objects

The Company's memorandum of association and Articles do not limit the objects of the Company.

5.2. Votes of members

Subject to the rights or restrictions referred to in paragraph 5.3 below, and subject to any special rights or restrictions as to voting for the time being attached to any shares, on a show of hands (a) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (b) every proxy appointed by a member shall have one vote save that every proxy appointed by one or more members to vote for the resolution and by one or more other members to vote against the resolution, has one vote for and one vote against.

5.3. Restrictions on voting

Unless the Board otherwise decides, a member of the Company shall not be entitled to vote, either in person or by proxy, at any general meeting of the Company in respect of any share held by him unless all calls and other amounts presently payable by him in respect of that share have been paid.

A member of the Company shall not, if the Directors determine, be entitled to be present or to vote at general meetings of the Company or to exercise any other rights of membership if he, or another person appearing to be interested in the relevant shares, has failed to comply with a notice requiring disclosure of interests in shares given under Article 14 of the Articles within seven days.

5.4. Dividends

The Company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests in the profit. The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company. No dividend or other monies payable by the Company on or in respect of any shares in the Company shall bear interest as against the Company unless otherwise provided by the rights attaching to such shares.

The Directors may, if authorised by an ordinary resolution of the Company, offer the holders of any particular class of shares in the Company the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution.

The Company or the Board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared.

A dividend unclaimed for a period of ten years after having been declared or became due for payment shall be forfeited and cease to remain owing by the Company.

5.5. Return of capital

If the Company is in liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the same sanction, vest the whole or any part of the assets in trustees on trust for the benefit of the members as the liquidator, with the same sanction, thinks fit but no member shall be compelled to accept any assets on which there is any liability.

5.6. Variation of rights

Any rights attaching to a class of shares in the Company may be varied in such manner (if any) as may be provided by those rights or with the written consent of the holders of three-fourths in number of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the relevant class. The quorum for the separate general meeting shall be two persons holding, or representing by proxy, not less than one-third in number of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

5.7. Issue of Shares

Subject to the provisions of the Act and the Articles relating to authority, pre-emption rights and otherwise and any resolutions passed by the Company, all unissued shares are at the disposal of the Directors and they may allot, grant options over or otherwise offer them to such persons, at such times and on such terms as they think proper, provided that no such share is issued at a discount to net asset value.

5.8. Transfer of Shares

Subject to the restrictions set out in this paragraph and at paragraph 14 below, any member may transfer all or any of his shares in the Company in any manner which is permitted by the Act or in any other manner which is from time to time approved by the Board.

The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of

uncertificated shares shall be made by means of the relevant system or in any other manner which is permitted by the Act and is from time to time approved by the Board.

The Directors have a discretion to refuse to register any transfer of a certificated share of any class which is not fully paid provided that, where any shares are admitted to the Official List, this does not prevent dealings in the shares of that class from taking place on an open and proper basis. The Directors may also decline to register any transfer of shares in certificated form unless (a) the instrument of transfer, duly stamped, is deposited at the office of the Company or such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates if such a certificate has been issued, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (b) the transfer is in respect of only one class of shares and is in favour of no more than four transferees.

The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under Article 14 and in respect of which the required information has not been received by the Company within seven days after service of the notice.

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods as the Directors may determine.

In respect of any allotment of any share the Directors shall have the same right to decline to approve the registration of any renounee of any allottee as if the application to allot and the renunciation were a transfer of a share under the Articles.

Save as aforesaid and as set out at paragraph 14 below, the Articles contain no restrictions as to the free transferability of fully paid shares.

5.9. Alteration of capital and purchase of shares

The Company may alter its share capital in any way that is permitted by the Statutes (as defined in the Articles).

5.10. General meetings

Annual General Meetings

Subject to the Act and the Articles, the first general meeting (being an annual general meeting) of the Company shall be held within a period of not more than eighteen months from the date on which the Company was incorporated. The Company shall in each calendar year hold a general meeting as its annual general meeting at such time and place as may be determined by the Directors provided that, so long as the Company holds its first annual general meeting within eighteen months of its incorporation, the Company need not hold an annual general meeting in the year of its incorporation or in the following year.

Convening of general meetings

All meetings, other than annual general meetings, shall be called general meetings. The Board may convene a general meeting whenever it thinks fit. The Board shall comply with the provisions of the Act regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

Notice of general meetings

An annual general meeting shall be convened on not less than twenty one clear days' notice in writing. Subject to the Act, all other general meetings shall be convened on not less than fourteen clear days' notice in writing.

Every notice shall specify the place, the day and the time of the meeting and the general nature of the business to be transacted, any special business to be put to the meeting, the address of the website where information relating to the meeting is available, the Record Date (as defined in the

Articles), any procedures on attendance and voting and an explanation of members' rights to requisition resolutions in accordance with the Act.

Subject to the provisions of the Act and the Articles, and to any restrictions imposed on any shares, notice of every general meeting shall be given to all members, to all persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member, to the auditors (if any) and to every Director.

Quorum

No business shall be transacted at any general meeting, except the adjournment of the meeting, unless a quorum of members is present at the time when the meeting proceeds to business.

A quorum of members shall consist of not less than two members present in person or by proxy (or by a duly authorised corporate representative).

If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such other day (being not less than ten nor more than twenty-eight clear days later) and at such other time or place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been so specified, the meeting shall stand adjourned to such other day (being not less than ten nor more than twenty-eight clear days later) and at such other time or place as the chairman of the meeting may decide and, in this case, the Company shall give not less than seven clear days' notice in writing of the adjourned meeting. At any adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum and any notice of an adjourned meeting shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

Chairman

At each general meeting, the chairman of the Board or, if he is absent or unwilling, the deputy chairman (if any) of the Board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office or, if no deputy chairman is present and willing, then one of the other Directors who is appointed for the purpose by the Board or (failing appointment by the Board), by the members present, shall preside as chairman of the meeting, but if no Director is present within five minutes after the time appointed for holding the meeting or, if none of the Directors present is willing to preside, the members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

Directors entitled to attend and speak

Whether or not he is a member, a Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares of the Company.

Adjournment

With the consent of any meeting at which a quorum is present, the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting either indefinitely or to another time or place.

In addition, the chairman of the meeting may at any time, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time and place if, in his opinion, it appears to him that (a) the members, proxies and corporate representatives wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

When a meeting is adjourned indefinitely the time and place for the adjourned meeting shall be fixed by the Board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

When a meeting is adjourned for three months or more, or indefinitely, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where the Articles or the Act otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting withdrawal.

Method of voting and demand for poll

At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of the meeting;
- (b) at least two members having the right to vote on the resolution; or
- (c) a member or members representing in aggregate not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares),

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

Taking a poll

If a poll is demanded (and the demand is not withdrawn), it shall be taken in such manner as the Chairman shall direct and he may appoint scrutineers (who need not be members).

Proxies

A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend and to speak and to vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member.

5.11. Directors

Number

Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall be not less than two nor more than 12. Each Director shall immediately inform the Board and the Company of any change potential or intended to his residential status for tax purposes.

Remuneration

The Directors (other than any Director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors. The aggregate of such fees shall not exceed £200,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the Directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable to the Directors under the Articles shall be distinct from any remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

The Directors may be paid reasonable travelling, hotel and other expenses properly incurred in connection with the exercise of their powers and discharge of their duties as Directors including expenses incurred in travelling to and from meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

Periodic retirement of Directors

At each annual general meeting, any Director who has been appointed by the Board since the previous annual general meeting shall retire from office. Each Director shall retire from office at the third annual general meeting after the annual general meeting at which he was last elected.

A Director appointed to any executive office or employment shall automatically cease to hold that office if he ceases to be a Director.

Directors' interests

A Director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he is interested, save where the other Directors resolve that the Director concerned should be entitled to do so where they are satisfied that the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest or save in any of the following circumstances:

- (a) the giving of any guarantee, security or indemnity in respect of (i) money lent or obligations incurred by such Director or by any other person at the request of or for the benefit of the Company (or any of its subsidiary undertakings) or in respect of (ii) a debt or obligation of the Company (or any of its subsidiary undertakings) for which such Director has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security;
- (b) any contract concerning an offer of shares, debentures or other securities of or by the Company (or any of its subsidiary undertakings) for subscription or purchase in which offer such Director is or may be entitled to participate as a holder of securities or such Director is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (c) any contract in which such Director is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
- (d) any contract concerning any other company in which such Director is interested, directly or indirectly, in 1.0 per cent. or more either of its equity share capital or of its voting rights;
- (e) any contract relating to an arrangement for the benefit of the employees of the Company (or any of its subsidiary undertakings) which does not award such Director any privilege or benefit not generally awarded to the employees to whom the arrangement relates;
- (f) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to both Directors and employees of the Company and/or any of its subsidiary undertakings;
- (g) any contract concerning the adoption, modification or operation of an employees' share scheme; and
- (h) any proposal concerning the purchase or maintenance of insurance for the benefit of persons including Directors.

Subject to the Statutes and to the interest of a Director being duly declared, a contract entered into by or on behalf of the Company in which any Director is any way interested shall not be avoided nor shall any Director be liable to account to the Company for any benefit realised as a result of the contract.

A Director shall not vote, or be counted in the quorum at a meeting, in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

Where proposals are under consideration concerning the appointment (including fixing or varying its terms) or the termination of the appointment of two or more Directors to offices or places of profit with the Company or any other company which the Company is interested, a separate resolution

may be put in relation to each Director and in that case, each Director concerned (if not otherwise debarred from voting) is entitled to vote.

Authorisation of conflicts of interest

Where a situation occurs or is anticipated to occur which gives rise or may give rise to a conflict of interest (excluding a conflict of interest arising in relation to a transaction or arrangement with the Company) on the part of any Director ("Conflicted Director") (other than a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest), the matter shall be referred to the Directors other than the Conflicted Director (the "Non-Conflicted Directors").

The Non-Conflicted Directors shall meet to consider the matter as soon as possible after the matter is referred to them and they have received all relevant particulars relating to the situation. The quorum for a meeting of the Non-Conflicted Directors shall be the same as for a meeting of the Board.

The Non-Conflicted Directors have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as they think fit.

The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or who has at any time been a director of the Company or of any Associated Company (as defined in the Articles) or in the employment or service of the Company or any Associated Company or of the predecessors in business of the Company or any Associated Company (or the relatives or dependants of any such person).

General powers

Subject to the Act, the Articles and to any directions given to the Company at the general meetings by special resolution, the Directors shall manage the Company's business and can use all the Company's powers. The business of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to the provisions of the Act and the Articles. No special resolution or alteration of the Articles shall invalidate any prior act of the Board which would have been valid if the resolution had not been passed or alteration had not been made.

Borrowing powers

The Directors may exercise all the Company's powers to borrow money, to mortgage or charge all or any of the Company's undertaking, property and assets (present and future) and uncalled capital, to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party. The Directors will limit the total borrowings of the Company and its subsidiary undertakings and holding companies (if any) to ensure that the total amount of the group's borrowings does not exceed, at the time such borrowings are incurred, 50 per cent. of the gross assets of the group.

Indemnity of officers

Insofar as the Act allows, each current or former officer of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer.

The Board may, without sanction of the Company in general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Act in respect of any liability which would otherwise attach to such officer or former officer.

Board meetings

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

Quorum

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of the Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

Voting

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

5.12. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred.

5.13. Excessive Shareholders

The Articles contain provisions relating to Excessive Shareholders in line with HMRC guidance and recommendations. The Company will following Admission be a company to which Part 12 of CTA 2010 applies (a REIT). Under the REIT Regime a tax charge may be levied on the Company if it makes a distribution (whether in cash or by way of stock dividend) to a company (or certain bodies corporate) beneficially entitled (directly or indirectly) to 10 per cent. or more of the Ordinary Shares or dividends of the Company or which controls (directly or indirectly) 10 per cent. or more of the voting rights of the Company. If, however, the Company has taken "reasonable steps" to prevent the possibility of such a distribution being made, then this tax charge may not arise. The Articles:

- (a) provide the Directors with powers to identify Excessive Shareholders including giving notice to a Shareholder requiring him to provide such information as the Directors may require to establish whether or not he is an Excessive Shareholder;
- (b) provide the Directors with powers to prohibit the payment of dividends on Ordinary Shares that form part of an Excessive Shareholding, unless certain conditions are met;
- (c) allow dividends to be paid on Ordinary Shares that form part of an Excessive Shareholding where the Shareholder has disposed of its rights to dividends on its Ordinary Shares;
- (d) seek to ensure that if a dividend is paid on Ordinary Shares that form part of an Excessive Shareholding and arrangements of the kind referred to in (c) above are not met, the Excessive Shareholder concerned does not become beneficially entitled to that dividend; and
- (e) provide the Directors with powers if certain conditions are met, to require (A) an Excessive Shareholder, or (B) a Shareholder who has not complied with a notice served in accordance with the power referred to in (a); or (C) a Shareholder who has provided materially inaccurate or misleading information in relation to the Excessive Shareholder provisions of the Articles, to dispose of such number of their shares as the Directors may specify, or to take such other steps as will cause the Directors to believe the Shareholder is no longer an Excessive Shareholder.

6. Director's and other interests

- 6.1. It is estimated that the aggregate remuneration to be paid and benefits in kind granted to Directors by the Company in respect of the first financial period of the Company to 30 September 2016 will not exceed £75,000.
- 6.2. All of the Directors are non-executive directors. None of the Directors have service contracts with the Company nor are any such service contracts proposed. Each of John Evans, Hugh Little and Alan Robertson has entered into a letter of appointment with the Company dated 13 April 2015.

The current period of service for each Director expires at the annual general meeting of the Company to be held in 2017, subject to renewal at that time. The Company has the right to terminate each appointment without compensation if the relevant Director is required to vacate office in accordance with the Articles and, subject thereto, the letters of appointment do not contain any contractual provisions regarding the compensation which would be payable upon early termination by the Company. None of the Directors receive any pension benefits from the Company, nor do they participate in any bonus or incentive schemes. Accordingly, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors. The fees payable to the Directors pursuant to their letters of appointment in respect of the first financial year are £30,000 per annum to John Evans, the Chairman, £25,000 per annum to Hugh Little, the Chairman of the Audit Committee and £20,000 per annum to Alan Robertson. The fees will be reviewed annually and may be increased in line with usual market rates. The Company will also pay insurance premiums in respect of directors' and officers' insurance taken out on behalf of the Directors.

- 6.3. The total emoluments payable to the Directors will not be varied in consequence of the Offer.
- 6.4. No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which were effected by the Company since its date of incorporation or remain in any respect outstanding or unperformed.
- 6.5. No loan or guarantee has been granted or provided by any member of the Company for the benefit of any Director.
- 6.6. The Company has entered into deeds of indemnity in favour of each of the Directors. The deeds of indemnity give each Director the benefit of an indemnity, out of the assets and profits of the Company, to the extent permitted by the Act and subject to certain limitations against liabilities incurred by each of them in the execution of their duties and exercise of the powers as Directors of the Company.
- 6.7. There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director was selected.
- 6.8. There are no restrictions agreed by any Director on the disposal within a certain period of time of their holdings in the Company's securities.
- 6.9. As at the date of this document and immediately following Admission, other than as disclosed in paragraph 6.10 below, there are no interests of any Director, including any connected persons of any Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company or any options in respect of such capital.
- 6.10. The Directors do not have any options over Shares. The Directors have confirmed that they intend to subscribe in the Offer for the following number of Ordinary Shares:

	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares following Admission⁽¹⁾</i>
John Evans	50,000	0.10%
Hugh Little	50,000	0.10%
Alan Robertson	25,000	0.05%

Note:

- (1) The percentages shown above are calculated on the assumption that 50 million Ordinary Shares are issued pursuant to the Offer.

6.11. Details of those companies (other than the Company) and partnerships of which the Directors have been directors or partners at any time within the previous five years ended on the date of this document are as follows:

	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
John Evans	Investors Capital Trust plc	Aberforth Partners LLP
Hugh Little	AFM Nominees Limited AMJPEF Founder Partner Limited MJ Founders Limited	Aberdeen Development Capital PLC Aberdeen Football Club PLC Aberdeen GP Limited ADC (Glasgow) Limited ADC Zeros 2010 PLC ADC Zeros 2012 PLC HIE Ventures Limited Murray Johnstone (General Partner) Limited Talltray Limited
Alan Robertson	Creevy LLH Limited Jones Lang LaSalle UAE Limited Jones Lang LaSalle Misr LLC Jones Lang LaSalle KSA LLC Struan Property Limited	Jones Lang LaSalle Gayrimenkul Ticaret Hizmetleri A.S.

6.12. As at the date of this document none of the Directors:

- (a) has been a member of any administrative, management or supervisory body or partner of any company or partnership at any time during the five years preceding the date of this document, save as disclosed in paragraph 6.11 above;
- (b) has had any convictions in relation to fraudulent offences for at least the previous five years;
- (c) has been associated with any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or a partner of the companies and/or partnerships referred to in paragraph 6.11 above for at least the previous five years; or
- (d) has any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years (for this purpose "issuer" has the meaning ascribed to it by Appendix I to the Prospectus Rules).

6.13. There are no potential conflicts of interest between any duties of the Directors to the Company and their private interests and/or other duties. All of the Directors are independent of the AIFM, the Asset Manager and the Investment Advisor and any other company in the same group of companies as the AIFM, the Asset Manager and the Investment Advisor.

7. Substantial Share interests

7.1. As at 24 April 2015 (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 3.0 per cent. or more of the Company's issued share capital:

	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital*</i>
TC Nominees (No. 1) Limited	25 million	50%
Drum REIT LLP	2 million	4%

* The percentages shown above are calculated on the assumption that 50 million Ordinary Shares are issued pursuant to the Offer.

- 7.2. TC Nominees (No. 1) Limited has indicated that it will invest £25 million on behalf of the discretionary clients of TCAM. These Shares will be held on behalf of the underlying beneficial shareholders and managed by a number of independent investment managers whose decisions in relation to the Shares will be unfettered by TCAM.
- 7.3. As at 24 April 2015 (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.

8. Material contracts of the Company

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation or which are expected to be entered into prior to Admission and which are, or may be, material to the Company:

- 8.1. 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 has also entered into the Investment Advisory Agreement. The AIFM has delegated certain advisory functions to the Investment Advisor pursuant to the terms of the Investment Advisory Agreement. The Investment Advisor will provide the AIFM with investment advice in relation to macro economic conditions.

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 and Investment Advisor.

Under the terms of the AIFM Agreement, the AIFM is also responsible for obtaining and maintaining from the FCA 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 the fourth anniversary of Admission, 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 0.8 per cent. per annum of the Net Assets of the Company and an investment advisory fee of 0.45 per cent. of the Net Assets of the Company. The AIFM has agreed that the portfolio management fee and the investment advisory fee will be paid to the Asset Manager and Investment Advisor respectively. 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.

- 8.2. 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 the fourth anniversary of Admission. 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 in paragraph 8.1 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.

- 8.3. The Company, the AIFM and the Investment Advisor have entered into an investment advisory agreement dated 28 April 2015 pursuant to which the AIFM has delegated certain advisory functions relating to the Company to the Investment Advisor. The Investment Advisory Agreement is terminable by any party on 12 months' written notice, provided that such notice shall expire no earlier than the fourth anniversary of Admission. The AIFM has the power to instruct the Investment Advisor and terminate the Investment Advisory Agreement with immediate effect when this is in the interests of investors.

In its capacity as investment advisor, the Investment Advisor will provide the Company and the AIFM with certain investment advice including advice in relation to the general economic and market conditions in the UK and advice in relation to the Company's cash holdings.

The AIFM has agreed that its investment advisory fee described above in paragraph 8.1 will be paid to the Investment Advisor.

- 8.4. 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.

The 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.

- 8.5. The Company is a party to a Registrar Agreement with Computershare Investor Services PLC dated 28 April 2015 pursuant to which the Registrar provides share registrar services to the Company.
- 8.6. The Company is a party to the Costs Contribution Agreement dated 28 April 2015 with the Asset Manager and Investment Advisor pursuant to which the parties agreed to regulate their liability for the launch costs incurred in relation to the Offer. Under this agreement, the Offer Costs which are payable by the Company are capped at 2.0 per cent. of the gross proceeds of the Offer. The Asset Manager has agreed to rebate to the discretionary clients of TCAM 1.0 per cent. of the gross proceeds subscribed by them.
- 8.7. 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.

9. Investment restrictions

In addition to those restrictions set out in Part 1 of this document and in accordance with the requirements of the Listing Rules, the Company will comply with the investment restrictions set out below and will continue to do so for so long as they remain requirements of the UK Listing Authority:

- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of its group as a whole;
- the Company will avoid cross-financing between businesses forming part of its investment portfolio;

- the Company will avoid the operation of common treasury functions as between the Company and investee companies;
- not more than 10 per cent., in aggregate, of the value of the total assets of the Company will be invested in other listed closed-ended investment funds other than closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended investment funds; and
- the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the published investment policy.

In the event of any material breach of the Company's investment policy or of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company and/or the AIFM (at the time of such breach) through an announcement via a Regulatory Information Service.

10. Financial information

- 10.1. Deloitte LLP of 2 New Street Square, London EC4A 3BZ which is registered to carry out audit work by the Institute of Chartered Accountants of England and Wales has been the only auditor of the Company since its incorporation. The annual report and accounts of the Company will be prepared in pounds sterling according to IFRS and the AIC SORP.
- 10.2. The Company's accounting period will terminate on 30 September of each year, with the first period ending on 30 September 2016.
- 10.3. The Company has not commenced operations since its incorporation on 26 March 2015 and no financial statements of the Company have been made as at the date of this document.
- 10.4. The Company intends to prepare audited accounts for the period from incorporation to 31 March 2015 to allow it to pay a dividend. The accounts will be tabled at an annual general meeting of the Company and filed at Companies House prior to Admission.
- 10.5. The Company is of the opinion, taking into account the Minimum Net Proceeds, that the working capital available to the Company is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.
- 10.6. As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.
- 10.7. There has been no significant change in the trading or financial position of the Company since its incorporation.
- 10.8. Immediately following Admission, the Company's gross assets will increase by an amount equal to the gross proceeds of the Offer, being a minimum of £30 million, less an amount representing the Offer Costs borne by the Company. It is not possible to quantify the effect of the Offer on the Company's earnings except that they should increase.

11. General

- 11.1. There are no governmental, legal or arbitration proceedings (including in so far as the Company is aware any governmental, legal or arbitration proceedings which are pending or threatened) during the period covering at least the previous 12 months prior to the date of this document which may have, or have had in the recent past, a significant effect on the Company or the Company's financial position or profitability.
- 11.2. The Company does not have any employees, nor does it own any premises.
- 11.3. Dickson Minto W.S. has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the reference to it in the form and context in which they appear.
- 11.4. The Asset Manager has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the references to it in the form and context in

which they appear and has authorised the contents of its statements for the purposes of the Prospectus Rules. The Asset Manager accepts responsibility for, and authorises, and consents to the inclusion of, the statements attributed to it contained in this document. To the best of the knowledge and belief of the Asset Manager (who has taken all reasonable care to ensure that such is the case) those statements are in accordance with the facts and do not omit anything likely to affect the import of those statements.

- 11.5. As at 24 April 2015 (being the latest practicable date prior to the date of this document), there have been no public takeover bids by third parties in respect of the Company's share capital since incorporation. As a company incorporated in England and Wales with shares admitted to trading on the London Stock Exchange, the Company will be subject to the provisions of the Takeover Code.

12. Mandatory bids, squeeze-out and sell-out rules

12.1. *Mandatory bids*

As a company incorporated in England and Wales with shares admitted to trading on the London Stock Exchange, the Company is subject to the provisions of the Takeover Code. Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with each other which, taken together with shares already held by that person or group of persons, acquires 30 per cent. or more of the voting rights of a public company which is subject to the Takeover Code or holds not less than 30 per cent. but not more than 50 per cent. of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all the remaining equity share capital of the Company.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director or acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buy back by the Company of Ordinary Shares could, therefore, have implications for Shareholders with significant shareholdings.

12.2. *Squeeze-out and sell-out rules*

Other than as provided by the Act there are no rules or provisions relating to squeeze-out and sell-out rules in relation to the Ordinary Shares.

13. Disclosure requirements and notification of interest in Shares

Under Chapter 5 of the Disclosure and Transparency Rules, subject to certain limited expectations, person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he holds (within two trading days) if he acquires or disposes of Shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he holds as a Shareholder (or, in certain cases, which he holds indirectly) or through his direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

- 13.1. reaches, exceeds or falls below 3.0 per cent. and each 1.0 per cent. threshold thereafter; or
- 13.2. reaches, exceeds or falls below an applicable threshold in paragraph 13.1 of this Part 5 above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

Such notification must be made using the prescribed form TR1 available from the FCA's website at <http://www.fca.gov.uk>. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the third trading day following receipt of a notification in relation to voting rights.

The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure and Transparency Rules.

14. Restrictions on Transfer

14.1. General

The distribution of this document and offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

14.2. European Economic Area

14.2.1. In relation to each of the EEA States (other than the UK) which has implemented the Prospectus Directive (each, a “relevant member state”), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “relevant implementation date”) no Ordinary Shares have been offered or will be offered pursuant to an offer to the public in that relevant member state, except that with effect from and including the relevant implementation date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than €50 million as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a relevant member state and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Offer will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

14.2.2. For the purpose of the expression an “offer of any Ordinary Shares to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Offer and the terms of the offer of any Ordinary Shares, so as to enable a potential investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

15. Documents available for inspection

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 until close of business on 26 May 2015:

- (i) the Company’s memorandum of association and Articles;
- (ii) the letters of appointment referred to in paragraph 6.2 of this Part 5;
- (iii) the written consent referred to in paragraphs 11.3 and 11.4 of this Part 5; and
- (iv) this document.

16. Availability of the Prospectus

In addition, copies of this document are available free of charge from the registered office of the Company. Copies of this document are also available for access via the National Storage Mechanism at <http://www.morningstar.co.uk/uk/NSM>.

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER

Introduction

These Terms and Conditions of Application apply to any application made under the Offer. If you apply for Ordinary Shares in the Offer for Subscription, you will by completion of the Application Form be thereby agreeing, warranting, confirming and acknowledging with the Company, the Asset Manager, the Investment Advisor and the Receiving Agent (together, the "Company and its agents") as follows.

Offer to acquire Ordinary Shares

1. Applications must be made on the Application Form attached at the end of the Prospectus or otherwise published by the Company. All applications in the Offer must be for Ordinary Shares with a minimum aggregate subscription price of £1,000 and, if your application is for Ordinary Shares with an aggregate subscription price of more than £1,000, it must be for a sum which is a multiple of £1,000. Investors may make more than one application for Ordinary Shares under the Offer for Subscription.
2. By completing and delivering an Application Form, you, as the applicant, or, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
 - 2.1. offer to subscribe for the amount of Ordinary Shares that you have specified in your Application Form (or such lesser amount for which your application is accepted) at the Offer Price on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application, the guidance notes accompanying your Application Form, and the Company's memorandum of association and the Articles, and agree to be bound by and adhere to the Company's memorandum of association and the Articles as if you were directly a party to the same;
 - 2.2. agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer any Ordinary Shares to any person other than by means of the procedures referred to in the Prospectus, your application may not be revoked until after 26 May 2015 (or such later date as the Company and its agents may agree). You agree that this paragraph constitutes an irrevocable collateral contract between you and the Company and its agents, which will become binding when your Application Form is posted or delivered by hand to the Receiving Agent, provided that you shall be entitled to revoke your application in the two working days following any publication by the Company of a supplementary prospectus relating to the Offer in accordance with section 87Q(4) of the Financial Services and Markets Act 2000;
 - 2.3. undertake to pay the Offer Price for the Ordinary Shares (payable in full on application) in respect of which your application is accepted and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for or to enjoy or receive any rights or distributions in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Company and its agents against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) terminate the agreement to allocate Ordinary Shares to you, without liability to you, and may allocate them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds or remittance which accompanied your Application Form and which is received by the Receiving Agent in cleared funds, without interest);
 - 2.4. agree that any share certificate to which you may become entitled and moneys returnable may be retained, without interest, by the Receiving Agent:
 - 2.4.1. pending clearance of your remittance;

- 2.4.2. pending investigation of any suspected breach of the warranties contained in paragraph 10 below or any other suspected breach of these Terms and Conditions of Application; or
- 2.4.3. pending any verification of identity (to the satisfaction of the Company and its agents, including as may concern the manner in which its identification documents are to be certified) which is, or which the Company and its agents consider may be, required for the purposes of compliance with the prevailing anti-money laundering, anti-terrorism and contributing to the financing of criminal activities legislation, regulations and procedures in force from time to time in the United Kingdom (the "CDD Rules");
- 2.5. agree that any error in the register of members of the Company arising as a result of your remittance not being honoured on first presentation or as a result of any other error in connection with your application for Ordinary Shares, or as a result of termination of any agreement to allocate Ordinary Shares pursuant to paragraphs 2.3 or 2.7 of these Terms and Conditions of Application may be rectified and, in addition and without prejudice to the foregoing, you hereby irrevocably authorise the Company, or any person appointed by it for this purpose, to execute on your behalf any instrument of transfer which may be necessary to effect any re-allocation or sale of Ordinary Shares to any other person arising as a result of the foregoing. The right to rectify the register of members of the Company, and/or the power to re-allocate or sell Ordinary Shares contained in this paragraph, are in addition to any other rights, powers and remedies which would otherwise be available to the Company in the event of a breach by you of these Terms and Conditions of Application;
- 2.6. agree, on the request of the Company or any of its agents, to disclose promptly in writing to any of them such information as the Company or its agents may request in connection with your application and you agree that information relating to applications will be retained by the Receiving Agent in connection with the Offer and may be disclosed as contemplated by the CDD Rules;
- 2.7. agree that if evidence of identity satisfactory to the Company and its agents is not provided to the Company or its agents within a reasonable time (in the opinion of the Company) following a request therefore, any agreement with you to allocate Ordinary Shares may be terminated and, in such case, the Ordinary Shares which would otherwise have been allocated to you may be re-allocated and your application monies will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest;
- 2.8. warrant and confirm that:
 - 2.8.1. you are not a person engaged in money laundering;
 - 2.8.2. none of the monies or assets transferred or to be transferred to (or for the account of) the Company and its agents for the purposes of the subscription are or will be the proceeds of criminal activities; and
 - 2.8.3. you are not a prohibited individual or entity or resident in a prohibited country or territory listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that you are not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes;
- 2.9. undertake to ensure that, in the case of your Application Form being signed by someone other than the applicant, the original of the relevant power of attorney or other authority (or a complete copy certified by a solicitor or a bank) is enclosed with your Application Form;
- 2.10. undertake to pay interest at the rate prescribed in paragraph 6 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.11. authorise the Receiving Agent on behalf of the Company to send definitive certificates in respect of the number of Ordinary Shares for which your application is accepted, and/or a

crossed cheque for any monies returnable, by post to your address as set out in your Application Form;

- 2.12. confirm that you have read and complied with paragraphs 22 and 23;
- 2.13. agree that your Application Form is addressed to the Company and its agents; and
3. Any application may be rejected in whole or in part at the sole discretion of the Company.

Acceptance of your offer

4. You agree that acceptance of your application, if it is validly received (or treated as valid), processed (and not rejected) and provided that it is not rejected subsequently as a result of a failure by you to comply with these Terms and Conditions of Application, shall be constituted at the election of the Company, after consultation with the Sponsor, either:
 - 4.1. by notifying the London Stock Exchange of the basis of allocation (in which case the acceptance will be on that basis); or
 - 4.2. by notifying acceptance to the Receiving Agent.
5. The Company and its agents reserve the right to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. The Company and its agents reserve the right to waive in whole or in part any of the provisions of these Terms and Conditions of Application, either generally or in respect of one or more applications. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed in some other manner satisfactory to the Company and its agents to apply in accordance with these Terms and Conditions of Application.
6. The right is reserved to present all cheques for payment on receipt by the Receiving Agent and to retain documents of title and surplus application monies pending clearance of successful applicants' cheques. The Company may require you to pay interest or its other resulting costs (or both) if the cheque accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the cheque from the date on which the basis of allocation under the Offer is publicly announced, until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus 2.0 per cent. per annum.

Conditions

7. The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon the admission of the Ordinary Shares, issued and to be issued, to the Official List of the UK Listing Authority and to trading on the Main Market for listed securities and such admissions becoming effective by 8.00 a.m. on 29 May 2015 (or such later date, not being later than 30 June 2015, as the Company and the Sponsor may agree). The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Offer.
8. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.

Return of application monies

9. If any application is not accepted, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest in Sterling by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, save where such amount is less than £3.00. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

Warranties

10. By completing an Application Form, you:

- 10.1. warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or a bank;
- 10.2. acknowledge that, if you are not resident in the United Kingdom, no action has been taken to permit a public offer in your jurisdiction and that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, warrant that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or its agents or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Offer or your application;
- 10.3. confirm that in making an application you are not relying on any information or representations in relation to the Company and the Ordinary Shares other than that contained in the Prospectus (as may be supplemented by a supplementary prospectus) on the basis of which alone your application is made, and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representations;
- 10.4. acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in the Prospectus (as may be supplemented by a supplementary prospectus) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or any of its agents;
- 10.5. warrant that you are either a company or other body corporate duly incorporated and validly existing with authority to sign the Application Form and to apply for Ordinary Shares or an individual who is not under the age of 18 on the date of your application;
- 10.6. agree that all documents and monies sent by post to you, by or on behalf of the Company or any of its agents will be sent at your risk and, in the case of documents and returned monies to be sent to you, may be sent to you at your address as set out in your Application Form;
- 10.7. confirm that you have reviewed the restrictions contained in the section entitled "Overseas investors" in paragraphs 22 and 23 and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions of such section;
- 10.8. warrant that you are not in the United States, or subscribing for the Ordinary Shares for the account of any person in the United States, and are not a Canadian person, or an individual, corporation or other entity resident in Japan or Australia; and
- 10.9. warrant that the details relating to you as set out in your Application Form are correct.

Allocations

11. The basis of allocation will be determined at the sole discretion of the Company. The right is reserved notwithstanding such basis to reject in whole or in part and/or scale down any application.

Miscellaneous

12. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer.
13. The rights and remedies of the Company and its agents under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to them, and the exercise or partial exercise of one will not prevent the exercise of others.
14. You agree that Dickson Minto W.S. is acting for the Company in connection with the Offer and for no-one else and Dickson Minto W.S. will not treat you as its client by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Offer.
15. You authorise the Receiving Agent or any person authorised by them or the Company, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed for by you in your name and authorise any representatives of the Receiving Agent to execute and/or complete any document required therefor.
16. You agree that it is a condition of application that any information supplied by an applicant or on his behalf or derived from the processing thereof may be used by the Receiving Agent or the Company and/or disclosed to the Company, its agents or advisors in connection with and for the purposes of the Offer and, for the purposes of the UK Data Protection Act 1998 (or any statutory modification or substitutions), you provide your consent to the use and disclosure of this information.
17. You agree that a failure to receive, process or accept your application for Ordinary Shares does not give rise to any right of action by any person against the Company, the Sponsor, the Receiving Agent or any other person. You agree that the non-receipt by any person of the Prospectus or any other related document shall not invalidate the Offer in whole or in part or give rise to any right of action by any person against the Company, the Sponsor, the Receiving Agent or any other person.
18. You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law and that, for the benefit of the Company, the Sponsor and the Receiving Agent, you submit to the non-exclusive jurisdiction of the English courts and agree that nothing shall limit the right of the Company, the Sponsor, the Receiving Agent or their agents or advisors to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
19. Completed Application Forms, together with payment, must be returned so as to be received by post to Computershare Investor Services PLC, Corporate Action Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE no later than 5.00 p.m. on 26 May 2015. An Application Form which is sent by post or delivered by hand (as described above) will be treated as having been received only when it is received by the Receiving Agent.

Money Laundering

20. You agree that, in order to ensure compliance with the CDD Rules, the Receiving Agent may at its absolute discretion require, and you will provide, evidence which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status. Without prejudice to the generality of the foregoing such evidence may be required if you either:
 - 20.1. tender payment by way of banker's draft or cheque or money order drawn on an account in the name of another person or persons (in which case verification of your identity may be required); or
 - 20.2. appear to the Receiving Agent to be acting on behalf of some other person (in which case verification of identity of any persons on whose behalf you appear to be acting may be required).

Failure to provide the necessary evidence of identity (in a manner satisfactory to the Company and its agents, including in respect of the manner of its certification) may result in application(s) being rejected or delays in the authorisation of documents.

21. Without prejudice to the generality of paragraph 20 above, verification of the identity of applicants may be required if the total subscription price of the Ordinary Shares applied for, whether in one or more applications, exceeds £10,000 (approximately equivalent to €15,000). If in such circumstances, you use a building society cheque, banker's draft or money order, you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and add its stamp. If in such circumstances, you use a cheque drawn by a third party, you may be requested to provide a copy of your passport or driving licence certified by a solicitor or a recent original bank or building society statement or utility bill in your name and showing your current address (which originals will be returned by post at the applicant's risk).

Overseas investors

22. If you receive a copy of the Prospectus or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the United Kingdom and wishing to make an application for Ordinary Shares under the Offer, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom.
23. Without limiting the above, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan or Australia or in the United States except in reliance on, or in a transaction not subject to, the registration requirements under the US Securities Act or other relevant legislation. If you subscribe for Ordinary Shares in the Offer you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company and its agents that you are not in the United States. No application will be accepted if it bears an address in the United States or otherwise where there is cause to believe you are in the United States.

Definitions used in these Terms and Conditions of Application

24. In these Terms and Conditions of Application and the Application Form the following terms have the meanings set out below:

"Application Form" means the application form for use in connection with the Offer for Subscription attached at the end of the Prospectus or any application form for use in connection with the Offer for Subscription otherwise published by or on behalf of the Company; and

"Prospectus" means the document comprising a prospectus of the Company dated 28 April 2015.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as used in the Prospectus.

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received by 5.00 p.m. on 26 May 2015. *All Applicants should read notes 1-5. Note 6 should be read by Joint Applicants.*

1. Application

Fill in (in figures) the aggregate subscription price for which your application is made. Your application must be for Ordinary Shares with a minimum aggregate subscription price of £1,000 or, if for more than £1,000, in multiples of £1,000.

2. Holder Details

Fill in (in block capitals) the full name, address and daytime telephone number of the applicant. If this application is being made jointly with other persons, please read note 6 before completing section 2 of the Application Form.

3. Signature

The applicant named in section 2 must date and sign section 3.

The Application Form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

4. Settlement

(a) Cheque/Banker's Draft Details

Attach a cheque or banker's draft for the exact amount shown in section 1 of the Application Form to your completed Application Form. Your cheque or banker's draft must be made payable to "Drum Income Plus REIT plc" and crossed "a/c Payee".

Your payment must relate solely to this application. No receipt will be issued.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom, the Channel Islands or the Isle of Man of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "Drum Income Plus REIT plc". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or banker's draft to such effect.

The account name should be the same as that shown on the application.

Applications with a value of £10,000 (approximately equivalent to €15,000) or greater, which are to be settled by way of a third party payment, e.g. banker's draft, building society cheque or a cheque drawn by someone other than the applicant, will be subject to the United Kingdom's verification of identity requirements which are contained in the Money Laundering Regulations 2007. In order to ensure compliance with the CDD Rules the Company (or any of its agents) may require at its absolute discretion such evidence in respect of any application which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status.

For UK applicants, this may involve verification of names and addresses (only) through a reputable agency. For non-UK applicants, verification of identity may be sought from your bankers or from another reputable institution or professional advisor in the applicant's country of residence.

If satisfactory evidence of identity has not been obtained within a reasonable time, and in any event (unless the Offer for Subscription is extended) by 5.00 p.m. on 26 May 2015, your application may not be accepted.

Certificates, cheques and other correspondence will be sent to the address in section 2 of the Application Form.

(b) Electronic Bank Transfers

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 5.00 p.m. on 26 May 2015. Please contact Computershare Investor Services PLC by email at DrumOFS@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment.

(c) CREST Settlement

The Company will apply for the Shares issued pursuant to the Offer in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the "Settlement Date"). Accordingly, settlement of transactions in the Shares will normally take place within the CREST system.

The Application Form contains details of the information which the Company's registrars, Computershare Investor Services PLC ("Computershare"), will require from you in order to settle your commitment within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Computershare to match to your CREST account, Computershare will deliver your Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Shares in certificated form should the Company, having consulted with Computershare, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Computershare in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (a) the person procured by you to subscribe for or acquire the relevant Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Computershare nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Computershare, on behalf of the Company, will input a DVP instruction into the CREST system according to the booking instructions provided by you in your Application Form. The input returned by you or your settlement agent/custodian of a matching or acceptance instruction to our CREST input will then allow the delivery of your Shares to your CREST account against payment of the Offer Price per Share through the CREST system upon the Settlement Date.

By returning the Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Shares to be made prior to 8.00 a.m. on 29 May 2015 against payment of the Offer Price per Share. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling plus 2 per cent. per annum.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date:	27 May 2015
Settlement Date:	29 May 2015
Company:	Drum Income Plus REIT plc
Security Description:	Ordinary Shares of 10 pence each
SEDOL:	BW4NWS0
ISIN:	GB00BW4NWS02

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 8RA29 by no later than 1.00 p.m. on 27 May 2015.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Computershare, reserves the right to deliver Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer for Subscription have been satisfied.

5. Shares in Uncertificated Form (CREST)

If you wish your Ordinary Shares to be issued in uncertificated form you should complete the Application Form as above and must also complete section 5 of the Application Form.

6. Joint Applicants

If you make a joint application, you will not be able to transfer your Ordinary Shares into an ISA. If you are interested in transferring your Ordinary Shares into an ISA, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Sections 2 and 3 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign section 6.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection.

Certificates, cheques and other correspondence will be sent to the address in section 2.

7. Verification of Identity

Section 7 of the Application Form applies if the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its equivalent, being approximately £10,000) or the Company (or any of its agents), at its absolute discretion deems it necessary to apply in order to ensure compliance with the CDD Rules. If section 7 applies to your application, you must ensure that section 7.1, 7.2 or 7.3 (as appropriate) is completed.

7.1. Professional Advisor or Intermediary

You should complete section 7.1 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial advisor acting on behalf of a client.

7.2. Reliable Introducer

If you are not a professional advisor or intermediary and the value of your application(s) exceed(s) €15,000 (or its equivalent, being approximately £10,000) or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules, you will be required to provide the verification of identity documents listed in section 7.3 of the Application Form unless you can have the declaration set out in section 7.2 of the Application Form given and signed by a firm acceptable to the Receiving Agent and the Company. Section 7.2 of the Application Form details those firms acceptable to the Receiving Agent and the Company for signing the declaration. In order to ensure their Application Forms are processed timely and efficiently, all applicants who are not professional advisors or intermediaries and to whose applications section 7 of the Application Form applies are strongly advised to have the declaration set out in section 7.2 of the Application Form completed and signed by a suitable firm where possible.

7.3. *Applicant Identity Information*

Section 7.3 of the Application Form need only be completed where the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its equivalent, being approximately £10,000) or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules and neither sections 7.1 nor 7.2 of the Application Form can be completed.

Notwithstanding that the declaration set out in section 7.2 of the Application Form has been completed and signed, the Receiving Agent and the Company reserve the right to request of you the identity documents listed in section 7.3 of the Application Form and/or to seek verification of identity of each holder and pay or (if necessary) from you or their bankers or from another reputable institution, agency or professional advisor in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked.

Where certified copies of documents are requested in section 7.3 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by no later than 5.00 p.m. on 26 May 2015, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

APPLICATION FORM
DRUM INCOME PLUS REIT PLC

Please send the completed form by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 5.00 p.m. on 26 May 2015.

Important – Before completing this form, you should read the accompanying notes.

ALL APPLICANTS MUST COMPLETE SECTIONS 1 TO 3 (SEE NOTES 1-6 OF THE NOTES ON HOW TO COMPLETE THIS APPLICATION FORM).

If you have a query concerning completion of this Application Form please call Computershare Investor Services PLC on 0870 707 1222. Calls from landline providers typically cost up to 12 pence per minute. From mobile networks calls cost between 5 pence and 40 pence per minute. Calls from outside the UK are chargeable at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

1. Application

I/We offer to subscribe for:

£ of new Ordinary Shares (minimum £1,000 and thereafter in multiples of £1,000) fully paid, at 100 pence per new Ordinary Share on the terms, and subject to the conditions set out in the Prospectus dated 28 April 2015 (including the Terms and Conditions of Application contained therein), the guidance notes accompanying this Application Form, and the memorandum of association and the Articles respectively.

2. Details of Holder(s) in whose Name(s) Shares will be Issued (PLEASE USE BLOCK CAPITALS)

I/We offer to subscribe for:

Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company Name:	
Address (in full)	
Postcode:	Daytime telephone no.:

3. Signature

I/We hereby confirm that I/we have read the Prospectus and make this application on and subject to the Terms and Conditions of Application set out in the Prospectus.

Execution by an individual:

Signature:	Dated: 2015
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Execution by a company:

Executed by (name of company):	Date:	
Name of Director:	Signature:	
Name of Director/Secretary:	Signature:	
If you are affixing a company seal, please mark this box with a cross:		Affix Company Seal here:

4. Settlement

(a) Cheque/Banker's Draft Details

Attach your cheque or banker's draft for the exact amount shown in section 1 made payable to "Drum Income Plus REIT plc" and crossed "a/c Payee".

(b) Electronic Bank Transfer

Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 5.00 p.m. on 26 May 2015 together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account name:
Account number:	Contact name at branch and telephone number:

Declaration by the professional advisor or intermediary

To: Drum Income Plus REIT plc, Computershare Investor Services PLC and Dickson Minto W.S.

We are a financial advisor authorised under the Financial Services and Markets Act 2000 applying for Ordinary Shares on behalf of one or more clients ("relevant clients"). As such, we hereby undertake to:

1. complete anti-money laundering verification of all relevant clients and to inform you of any unsatisfactory conclusion in respect of any such client;
2. to keep records to verify the name, identity, place of birth, residential address, occupation and signature of each relevant client; and
3. to supply copies of any such records to you as you may require.

We are governed in the conduct of our investment business and in respect of conducting anti-money laundering verification by the following regulatory or professional body (and our reference or other official number allocated to us by that body is included in the box below).

(Full name and country of operation of regulatory or professional body)	
(Reference or other official number)	

If you require further information about our procedures or any of our relevant clients, please contact the person named as the contact in the first box in this section 7.1.

(Date)	2015	(Official stamp, if any)
(Signature)		
(Full name)		
(Title/position)		

7.2 Reliable Introducer (If you are not a professional advisor or intermediary to whom section 7.1 applies, completion and signing of declaration in this section 7.2 by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 7.3 of this form)

(The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in Jersey or the United Kingdom. Acceptable countries include Austria, Belgium, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Isle of Man, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland and the United Kingdom.)

Declaration by the firm

To: Drum Income Plus REIT plc, Computershare Investor Services PLC and Dickson Minto W.S.

With reference to the applicant(s) detailed in section(s) 2 and, in the case of joint applicants, 6 above, all persons signing sections 3 and 6 above and the payor identified in section 4 above if not also an applicant holder (collectively the "relevant persons"), we hereby declare that:

1. we operate in one of the above mentioned countries and our firm is subject to anti-money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the relevant persons is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the applicant(s) named in section(s) 2 and, in the case of joint applicants, 6 above and, if details of a CREST account are included in section 5 above, that the owner thereof is the applicant named in section 2 above;
5. having regard to all local anti-money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares to which this application relates; and
6. where the payor and applicant(s) are different persons we are satisfied as to the relationship between them and the reason for the payor being different to the applicant(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of the firm or its officials.

(Date)	2015	(Official stamp, if any)
(Signature)		
(Full name)		
(Title/position)		

having authority to bind the firm, the details of which are set out below:

(Name of firm, in full)	
(Address, in full)	
	(Post code)
(Contact name)	(Telephone number)

(Full name of firm's regulatory authority)	
(Website address or telephone number of regulatory authority)	(Firm's registered, licence or other official number)

7.3 Applicant Identity Information (Only complete this section 7.3 if your application has a value greater than €15,000 (or its equivalent, being approximately £10,000) and neither of sections 7.1 and 7.2 can be completed) or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules.

In accordance with internationally recognised standards for the prevention of money laundering, the relevant documents and information listed below must be provided (please note that the Receiving Agent and the Company reserve the right to ask for additional documents and information).

	Tick here for documents provided				
	Applicant				Payor
	1	2	3	4	
A. For each applicant who is an individual enclose:					
(i)	a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: (a) current passport; (b) Government or Armed Forces identity card; or (c) driving licence; and				
(ii)	certified copies of at least two of the following documents which purport to confirm that the address(es) given in section 2 and, in the case of joint applicants, section 6 is the applicant's residential address: (a) a recent gas, electricity, water or telephone (not mobile) bill; (b) a recent bank statement; (c) a council tax bill; or (d) similar bill issued by a recognised authority; and				
(iii)	if none of the above documents show their date and place of birth, enclose a note of such information; and				
(iv)	details of the name and address of their personal bankers from which the Receiving Agent or the Company may request a reference, if necessary.				
B. For each holder being a company (a "holder company") enclose:					
(i)	a certified copy of the certificate of incorporation of the holder company; and				
(ii)	the name and address of the holder company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and				
(iii)	a statement as to the nature of the holder company's business, signed by a director; and				
(iv)	a list of the names and residential addresses of each director of the holder company; and				
(v)	for each director provide documents and information similar to that mentioned in A above; and				
(vi)	a copy of the authorised signatory list for the holder company; and				
(vii)	a list of the names and residential/registered addresses of each ultimate beneficial owner interested in more than 3% of the issued share capital of the holder company and, where a person is named, also enclose the documents and information referred to in C below and, if another company is named (a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.				
C. For each individual named in B(vii) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(i) to (iv)					
D. For each beneficiary company named in B(vii) as a beneficial owner of a holder company enclose:					
(i)	a certificated copy of the certificate of incorporation of that beneficiary company; and				
(ii)	a statement as to the nature of that beneficiary company's business signed by a director; and				
(iii)	the name and address of the beneficiary company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and				
(iv)	enclose a list of the names and residential/registered address of each beneficial owner owning more than 3% of the issued share capital of that beneficiary company.				
E. If the payor is not an applicant and is not a bank providing its own cheque or banker's draft on the reverse of which is shown details of the account being debited with such payment (see note 4 on how to complete this form) enclose:					
(i)	if the payor is a person, for that person the documents mentioned in A(i) to (iv); or				
(ii)	if the payor is a company, for that person the documents mentioned in B(i) to (vii); and				
(iii)	an explanation of the relationship between the payor and the applicant(s).				

