

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

This document comprises a prospectus relating to Ediston Property Investment Company plc (the "Company") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority ("FCA") made under section 73A of the Financial Services and Markets Act 2000 ("FSMA") and approved by the FCA in accordance with section 85 of the 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.epic-REIT.com.

The Directors of the Company, whose names appear on page 24 of this document, and the Company each accept responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, 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.

Ediston Property Investment Company plc

(a company incorporated and registered in England and Wales with registered number 9090446 and registered as an investment company under section 833 of the Companies Act 2006)

Placing and Offer for Subscription

of up to 150 million ordinary shares of 1p each at an issue price of 100p per Share

Sponsor and Placing Agent Canaccord Genuity Limited

Application has been made to the Financial Conduct Authority 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 28 October 2014.

The Issue 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.

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is the sponsor and placing agent to the Company. Canaccord Genuity Limited is acting exclusively for the Company and for no-one else in relation to the Issue or the matters referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on Canaccord Genuity Limited by the FSMA or the regulatory regime established thereunder, Canaccord Genuity Limited will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Canaccord Genuity Limited nor for advising any other person in relation to the Issue 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 Issue 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 adviser before investing in the Company. Potential investors should also consider the Risk Factors relating to the Company set out on pages 13 to 19 of this document.

CONTENTS

	<i>Page</i>
SUMMARY	3
RISK FACTORS	13
IMPORTANT INFORMATION	20
EXPECTED TIMETABLE AND ISSUE STATISTICS	23
DIRECTORS, MANAGER AND ADVISERS	24
DEFINITIONS	25
PART 1 THE COMPANY	30
PART 2 DIRECTORS, MANAGER, INVESTMENT ADVISER AND ADMINISTRATION OF THE COMPANY	37
PART 3 THE ISSUE	44
PART 4 THE INITIAL PROPERTY PORTFOLIO	47
PART 5 VALUATION REPORT ON THE INITIAL PROPERTY PORTFOLIO	50
PART 6 TAXATION	57
PART 7 ADDITIONAL INFORMATION ON THE COMPANY	64
TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION	84
NOTES ON HOW TO COMPLETE THE APPLICATION FORM	90
APPLICATION FORM	93

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 requirement	Disclosure
A.1	Warning	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.
A.2	Financial Intermediaries	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.

Section B – Issuer

Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name	Ediston Property Investment Company plc (the “ Company ”)
B.2	Domicile and legal form	The Company was incorporated in England and Wales under the Act as a public company limited by shares on 17 June 2014 with registration number 9090446 and is a closed-ended investment company.
B.5	Group description	The Company is the ultimate holding company of the Group. It is anticipated that the Subsidiary, a wholly owned subsidiary of the Company, will hold the Company’s assets. The Subsidiary is party to the Management Agreement and the Investment Adviser Agreement. The Subsidiary will invest either directly or indirectly in UK real estate assets which the Company intends to invest in.

B.6	Major shareholders	<p>As at 14 October 2014 (being the latest practicable date prior to the publication of this document) the Company is not aware of any persons who, following Admission, will be directly or indirectly interested in three per cent. or more of the Company's issued share capital.</p> <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>There are no different voting rights for any Shareholder.</p>
B.7	Key financial information	Not applicable. The Company has not commenced operations since its incorporation on 17 June 2014 and no financial statements of the Company have been made as at the date of this document.
B.8	Key pro forma financial information	Immediately following Admission, the Company's gross assets will increase by an amount equal to the gross proceeds of the Issue, being a minimum of £85 million, less an amount representing the Issue Costs borne by the Company which are capped at two per cent. of the gross proceeds raised pursuant to the Issue. It is not possible to quantify the effect of the Issue on the Company's earnings except that they should increase.
B.9	Profit forecast	Not applicable. No profit forecast or estimate is made.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable.
B.11	Working capital insufficiency	Not applicable. The Company is of the opinion, taking into account the Minimum Net Proceeds, that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.
B.34	Investment policy	<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 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 in joint ventures which hold real estate directly. The Company will also be permitted to forward fund purchases of properties on a pre-let and 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 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. Once the Company is fully invested (including drawdown of available debt facilities), 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.</p> <p>Once the Company is fully invested (including drawdown of available debt facilities), the Company shall not be permitted to acquire an investment if, as a result, income receivable from any one tenant, or 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>The Board currently intends that gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 30 per cent. at the time of drawdown. In any event, gearing will not exceed a maximum of 35 per cent. at the time of drawdown.</p>
B.35	Borrowing limits	<p>The Board currently intends that gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 30 per cent. at the time of drawdown. In any event, gearing will not exceed a maximum of 35 per cent. at the time of drawdown.</p>
B.36	Regulatory status	<p>The Company is not regulated or authorised by the Financial Conduct Authority 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	Typical investor	<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	Investment of 20% or more in single underlying asset or investment company.	Not applicable.
B.39	Investment of 40% or more in single underlying asset or investment company.	Not applicable.
B.40	Applicant's service providers	<p><i>Manager</i></p> <p>R&H Fund Services (Jersey) Limited has been appointed as AIFM pursuant to the Management 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 Manager has delegated responsibility of portfolio management services to the Investment Adviser pursuant to the Investment Adviser Agreement. The Manager has, and shall maintain, necessary expertise and resource to supervise the delegated tasks effectively.</p> <p>The Management Agreement provides that the Company will pay to the Manager a fixed fee of £15,000 per annum plus an annual portfolio management fee of 0.95 per cent. of the net assets of the Company, provided that this fee shall be 0.75 per cent. of the net assets of the Company that are in excess of £250 million. The Manager has agreed that the portfolio management fee will be paid to the Investment Adviser.</p> <p>The Management Agreement can be terminated by any party on twelve months' written notice which can be served at any time after the second anniversary of Admission. The Management Agreement may be terminated immediately if, the Manager is in material breach of the agreement, guilty of negligence, wilful default or fraud, is the subject of insolvency proceedings or there occurs a change of Key Manager under the Investment Adviser Agreement to which the Board has not given its prior consent. The Management Agreement may also be terminated immediately if Ediston is directly appointed as AIFM of the Company.</p> <p><i>Investment Adviser</i></p> <p>Pursuant to the Investment Adviser Agreement, the Manager has delegated responsibility of portfolio management services to the Investment Adviser on the same terms as the Management Agreement.</p> <p>In its capacity as investment adviser to the Company, the Investment Adviser will advise the Company on the acquisition, management and disposal of the real estate assets in the Group's portfolio.</p> <p><i>Administrator</i></p> <p>R&H Fund Services Limited has been appointed as company secretary and administrator pursuant to the</p>

		<p>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 £80,000 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 £95,000 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	Regulatory status of Manager and custodian	<p>The Manager, R&H Fund Services (Jersey) Limited, is a private limited company and was incorporated in Jersey under the Companies (Jersey) Law, 1991 on 21 March 2007 with registered number 42576. The Manager is authorised and regulated by the Jersey Financial Services Commission. The Company has no custodian.</p>
B.42	Calculation of Net Asset Value	<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 Company's portfolio and in accordance with IFRS. The Net Asset Value per Ordinary Share will be calculated by the Administrator based on information provided by the Investment Adviser 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	<p>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.</p>
B.44	No financial statements have been made up	<p>The Company has not commenced operations since its incorporation on 17 June 2014 and no financial statements of the Company have been made as at the date of this document.</p>
B.45	Portfolio	<p>The Group has entered into legally binding, agreements with the Vendors to acquire a portfolio of five properties, the Initial Property Portfolio, conditional on Admission. The Initial Property Portfolio has a</p>

		<p>Market Value of £76.7 million. The aggregate consideration for the Initial Property Portfolio is £76.7 million. In respect of certain of the Properties the Vendors are granting the Rental Guarantee. The properties comprising the Initial Property Portfolio are located in Birmingham, Edinburgh, Rhyl, Reading and Sheffield.</p> <p>The Properties are in accordance with the proposed investment policy and strategy of the Company and it is expected that the acquisition of the Initial Property Portfolio will complete on or shortly after Admission.</p>
B.46	Net Asset Value	Not applicable.

Section C – Securities

Element	Disclosure requirement	Disclosure
C.1	Type and class of securities	The Company proposes to issue up to 150 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 1p. 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	<p><i>Voting Rights</i></p> <p>Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, Ordinary Shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company.</p> <p>Each Ordinary 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 Ordinary Shareholders shall have one vote for every Share held.</p> <p><i>Dividend rights</i></p> <p>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.</p> <p><i>Return of capital</i></p> <p>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.</p>
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

		<p>permitted by the Act or in any other lawful manner which is from time to time approved by the Board.</p> <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	Admission	<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 for listed securities.</p>
C.7	Dividend policy	<p>Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay an attractive level of dividend income to Shareholders on a monthly basis. Whilst not forming part of its investment policy, the Company will target an annual dividend of not less than 5.5p per Share. This level of dividend is expected to be covered by the Group's net income once the Company is fully invested. In respect of the Company's first financial period to 30 September 2015 the Company expects to pay an aggregate dividend of 5.09p per Share (which equates to a dividend yield of 5.5 per cent. per annum on the Issue Price).</p> <p>An initial dividend of 0.9685p per Share will be paid in respect of the period from Admission to 31 December 2014. It is expected that this dividend will be paid in January 2015, provided that the Company has received approval for the cancellation of its share premium account. Thereafter dividends will be paid on a monthly basis at a rate of 0.4583p per Share. 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 requirement	Disclosure
D.2	Key information on the key risks specific to the issuer	<ul style="list-style-type: none"> The Company has a limited operating history. 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 conditions in future periods. If the Company were to leave the REIT regime within 10 years of joining,

		<p>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. • The Company will be reliant on the skills of the Investment Adviser and may be adversely affected if it underperforms or its services cease to be available to the Company.
D.3	Key information on the key risks specific to the securities.	<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. • There is no guarantee that a liquid market will be established in the Shares. • 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.

		<ul style="list-style-type: none"> In the absence of capital and/or income growth in the portfolio of the Company once the net proceeds of the Issue have been invested, the expected dividend policy of the Company will lead to a reduction in the Net Asset Value per Ordinary Share. 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. If borrowings are not available on suitable terms or at all 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 requirement	Disclosure
E.1	Net proceeds and costs of the Issue	<p>The costs and expenses of the Issue include the costs of incorporation of the Company, the commissions to the Placing Agent, the fees payable to professional advisers and other related expenses. The Costs Contribution Agreement provides that the Issue Costs, which are payable by the Company shall be capped at two per cent. of the proceeds raised pursuant to the Issue (being an amount equal to the number of Shares issued pursuant to the Issue multiplied by the Issue Price). In respect of the costs that exceed this amount, Ediston shall be responsible for paying any costs in excess of such amount.</p> <p>The net proceeds of the Placing and Offer are expected to be £147.2 million (on the assumption that the Issue is fully subscribed) and they will be used by the Company to invest in and acquire a portfolio of UK commercial property assets including the Initial Property Portfolio.</p>
E.2A	Reason for offer and use of proceeds	The net proceeds of the Issue will be used by the Company to fund the acquisition of a portfolio of UK commercial property assets including the Initial Property Portfolio.
E.3	Terms and conditions of the offer	<p>The Issue, 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 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</p>

		<p>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 28 October 2014 or such time and/or date as the Company and the Sponsor may agree being not later than 28 November 2014;</p> <p>(b) the Placing Agreement having become unconditional in all respects (save for the conditions relating to Admission) and not having been terminated in accordance with its terms before Admission; and</p> <p>(c) the gross proceeds of the Issue being the equivalent of at least £85 million (the “Minimum Issue Proceeds”).</p>
E.4	Material interests	Not applicable. No interest is material to the Issue.
E.5	Name of person selling securities	Not applicable. No person is offering to sell the securities as part of the Issue.
E.6	Dilution	Not applicable.
E.7	Expenses charged to the investor	The costs and expenses of the Issue include costs of incorporation of the Company, the commissions to the Placing Agent, the fees payable to professional advisers and other related expenses. The amount of the costs of the Issue which will be borne by investors is limited to two per cent. of the proceeds raised pursuant to the Issue (being an amount equal to the number of Shares issued multiplied by the Issue Price).

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 adviser 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, 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, it is possible that there may not be a liquid market in the Ordinary Shares 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 Issue will be used by the Company to make investments in UK commercial property assets, including the Initial Property Portfolio, in accordance with the Company's investment policy. The timing of any further investments in such assets will depend, *inter alia*, on the availability of suitable commercial property assets at reasonable prices. Accordingly, there may be a period of time between completion of the acquisition of the Initial Property Portfolio and the remaining proceeds of the Issue being fully invested by the Company. Until the proceeds of the Issue are invested they are not expected to generate significant amounts of income and the dividends payable in respect of the Ordinary Shares are likely to exceed

the income generated by the proceeds of the Issue until such proceeds are fully invested in UK real estate assets.

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 Group'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 an attractive 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 Investment Adviser 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 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 a Substantial Shareholder. This additional tax charge will not be incurred if the REIT has taken reasonable steps to avoid paying dividends to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where dividends may become payable to a Substantial Shareholder and these provisions are summarised at paragraph 5.13 of Part 7 of this document. These provisions provide the Directors with powers to identify Substantial Shareholders and to prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met. The Articles also allow the Board to require the disposal of Shares forming part of a Substantial Shareholding in certain circumstances where the Substantial 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 adviser 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 Investment Adviser 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 and Wales, 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 Company's portfolio and/or the rental income of the 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 the Company's properties in Scotland.

The EU Directive on Alternative Investment Fund Managers ("AIFM Directive"), came into force on 22 July 2013 and regulates alternative investment fund managers ("AIFMs") and prohibits such AIFMs from managing any alternative investment fund ("AIF") or marketing shares in such AIFs to investors in the EU unless, in respect of AIFMs based in the EU, authorisation under the AIFM Directive is granted to the AIFM or, in respect of AIFMs based outside the EU, notification that the non-EU AIFM is marketing an AIF is made to the FCA, or other relevant regulatory body. The AIFM 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 U.S. Tax Code may impose a 30 per cent. withholding tax on payments of U.S. source interest and dividends made on or after 1 July 2014 and of gross proceeds from the sale of certain U.S. 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 U.S. Internal Revenue Service (the "IRS") to provide certain

information on its U.S. 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 Group will incur gearing to fund the acquisition of further, as yet unidentified, UK commercial property assets in addition to the Initial Property Portfolio. There is no certainty that such borrowings will be made available to the Group either at all or on acceptable terms, which may adversely affect the ability of the Group to grow in the future and acquire further properties which could, as a consequence, have a material adverse impact on the level of 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 Company's 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 Group'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 Investment Adviser, its respective associates and their respective officers and employees, are not exclusive to the Company. The Investment Adviser has in place a conflicts of interest and asset allocation policy which provides that for the period up to six months after Admission or, if later, until the Group is fully invested (including proposed borrowings but excluding working capital), the Company will have a right of first refusal on every investment opportunity which is in accordance with the Company's investment policy and deemed suitable for the Company (with the exception of any property/investment opportunity located within the region of Strathclyde). In fulfilling its responsibilities to the Company, the Investment Adviser 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. In particular, the Investment Adviser may provide investment management, investment advice or other services to other funds having similar investment policies to that of the Company, which may result in the Investment Adviser investing funds for other funds as opposed to the Company thereby increasing the period of time during which the proceeds of the Issue are not fully invested.

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 Company's 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 Company's investments

Risks relating to the acquisition of the Initial Property Portfolio

The Company has entered into legally binding agreements with the Vendors to purchase the Initial Property Portfolio conditional on Admission. Certain of the Properties will be acquired directly by the Group and the remainder will be acquired through the acquisition of the units in the JPUT which owns the properties. The anticipated taxation impact is that SDLT will be payable (at 4 per cent.) in respect of the direct property acquisitions and that no SDLT (nor stamp duty or SDRT) will be payable in respect of the acquisition of the units in the JPUT. However, this structure is based on current UK tax legislation and practice which is subject to change. Furthermore, HMRC may seek to challenge the amount of tax paid and impose an increased SDLT charge on the Company. If HMRC were to be successful in such a challenge, the Company could incur additional costs in connection with the acquisition of the Initial Property Portfolio which, as a result, could have a material adverse effect on the returns available for distribution to the Shareholders.

Under the acquisition agreements the Vendors will provide various warranties for the benefit of the Company. Such warranties, in accordance with normal market practice, are typically limited in extent and subject to disclosure, time limitations, materiality thresholds and liability caps. To the extent that the Company were to suffer any loss in connection with the acquisition of the Initial Property Portfolio as a result of an issue not covered by the warranties or excluded by such limitations or where the loss exceeds such liability caps, the Company would have no recourse against the Vendors. Even if the Company were to have a right of action in respect of a breach of warranty, there would be no guarantee that the outcome to any claim would be successful, or that the Company would be able to recover all or part of any loss from the Vendors.

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.

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.

Rent reviews may not be at the then Estimated Net Annual Rent.

The Initial Property Portfolio has relatively low levels of vacant stock. However, certain of the properties comprising the Initial Property Portfolio currently have, and some other 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. The assumptions made by the Valuer regarding the length of void periods may underestimate the actual void periods suffered by the Company. 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.

In respect of certain properties comprising the Initial Property Portfolio, the Vendors shall be providing a rental guarantee for a fixed period. There is no guarantee that such properties will be let, either in whole or in part, prior to the end of such periods.

Where there are lease expiries within the Initial Property Portfolio, there is a risk that a significant proportion of leases may be re-let at rental values lower than those prevailing under the current leases, or that void periods may be experienced on a significant proportion of the Initial Property Portfolio.

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 Company's property portfolio.

The Company may face significant competition from UK or other foreign property companies or funds. 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. 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 to acquire properties or develop land at satisfactory prices.

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 Initial Property Portfolio has been valued by the Valuer as at 30 September 2014 on the basis of "Market Value" in accordance with the Red Book. In determining Market Value, the Valuer is required to make certain assumptions. Such assumptions may prove to be inaccurate.

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. The negotiation of price reductions prior to the completion of transactions remains common for certain properties. 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 underperformance or the departure of key skilled professionals from the Investment Adviser could have a material adverse effect on the Company's business, financial condition and results of operations.

Shortfall of income until proceeds invested

The net proceeds of the Issue will be used to acquire UK commercial properties in accordance with the Company's investment policy. There is currently demand for good quality UK commercial property investments. The generation of profits for distribution by the Group will depend on the successful management of the Company's investments, the yields on existing and new properties, interest costs, taxes and the sale of properties. Until the proceeds of the Issue are invested in UK commercial properties, the Board expects the income generated by the proceeds of the Issue to be significantly lower than the income generated from funds invested by the Group in UK commercial properties.

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 adviser.

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 Manager, Investment Adviser 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 Manager, Investment Adviser 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 Issue. 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 adviser or other financial adviser.

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 Manager, or its 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 advisers 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 Manager 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, 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 advisers 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 7 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 Investment Adviser 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 Placing and Offer for Subscription.

Nothing in this section seeks to limit or qualify, in any way, the working capital statement in paragraph 10.4 of Part 7 of this document.

Definitions

A glossary of certain words and expressions and a list of defined terms used in this document is set out before Part 1 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 Adviser, 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

2014

Placing and Offer for Subscription opens	17 October
Latest time and date for receipt of commitments under the Placing	5.00 p.m. on 23 October
Latest time and date for receipt of Application Forms under the Offer	5.00 p.m. on 24 October
Admission and dealings in Ordinary Shares commence	8.00 a.m. on 28 October
Crediting of CREST accounts in respect of the Ordinary Shares	8.00 a.m. on 28 October
Share certificates in respect of the Ordinary Shares despatched (where applicable)	week commencing 3 November

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.

ISSUE STATISTICS

Issue Price per Ordinary Share	100p
Number of Ordinary Shares being issued*	150 million
Estimated net proceeds of the Issue*	£147.2 million
ISIN of the Ordinary Shares	GB00BNGMZB68
Ticker code	EPIC

* Assuming the maximum number of 150 million Ordinary Shares are issued under the Issue.

DIRECTORS, MANAGER AND ADVISERS

Directors	Ratan Engineer (<i>Chairman</i>) Robin Archibald Robert Dick William Hill all non-executive and of Broadgate Tower, 20 Primrose Street, London EC2A 2EW
Investment Adviser	Ediston Properties Limited Broadgate Tower 20 Primrose Street London EC2A 2EW
AIFM and Manager	R&H Fund Services (Jersey) Limited Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW
Sponsor and Placing Agent	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
UK Legal Adviser to the Company	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	Knight Frank LLP 55 Baker Street London W1U 8AN
Reporting Accountants and Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
Tax Adviser	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ
Receiving Agent and Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
Legal Adviser to the Sponsor and Placing Agent	Hogan Lovells International LLP Atlantic House Holborn Viaduct London EC1A 2FG

DEFINITIONS

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

Act	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 7 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 London Stock Exchange
AIFM	an alternative investment fund manager for the purposes of the AIFMD
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
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 7 of this document
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
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	Ediston Property Investment Company plc, a company incorporated in England and Wales with registered number 9090446
Costs Contribution Agreement	the costs contribution agreement between the Company and Ediston, a summary of which is set out in paragraph 8.6 of Part 7 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 2010	Corporation Tax Act 2010
Disclosure and Transparency Rules	the disclosure and transparency rules made by the Financial Conduct Authority 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)
EEA States	the member states of the European Economic Area
EU	the member states of the European Union
Estimated Net Annual Rent	<p>is based on the current rental value of a property:</p> <ul style="list-style-type: none"> (i) ignoring any special receipts or deductions arising from the property; (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent; and (iv) where a property, or part of it, is let at the date of valuation, the rental value reflects the terms of the lease <p>and, where a property, or part of it, is vacant at the date of valuation, the rental value reflects the rent the Valuer considers would be obtainable on an open market letting as at the valuation date</p>
Excess Charge	in relation to a Distribution which is paid or payable to a person, all tax or other amounts which the Board considers may become payable by the Company to any other member of its group under section 551 CTA 2010 (as amended) and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution
FCA	the UK Financial Conduct Authority
FSMA	the UK Financial Services and Markets Act 2000 (as amended), as amended from time to time
Group	the Company, the Subsidiary and their subsidiaries from time to time or any one or more of them, as the context may require
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards
Initial Property Portfolio	the portfolio of properties in respect of which the Company has agreed, conditional on Admission, legally binding terms to acquire and as more fully described in Part 4 of this document

Investment Adviser or Ediston	Ediston Properties Limited, a private limited company incorporated in England and Wales with registered number 04910369 which operates under the trading name Ediston Real Estate
Investment Adviser Agreement	the investment adviser agreement between the Company, the Subsidiary, the Manager and the Investment Adviser, a summary of which is set out in paragraph 8.3 of Part 7 of this document
ISA	Individual Savings Account for the purposes of section 694 Income Tax (Trading and Other Income) Act 2005
Issue	the issue of the Ordinary Shares pursuant to the Placing and Offer
Issue Costs	the costs and expenses payable by the Company in respect of the incorporation of the Company, the Issue and Admission which are capped at two per cent. of the gross proceeds of the Issue
Issue Price	100p per Ordinary Share
Japan	Japan, its cities, prefectures, territories and possessions
JPUT	Ediston UK Real Estate Unit Trust, a unit trust established and constituted on 14 May 2012 under the Trusts (Jersey) Law 1984
Key Manager	Danny O'Neill and any other person as may be designated a Key Manager from time to time in accordance with the Investment Adviser Agreement
Law	the Companies (Jersey) Law, 1991
Listing Rules	the listing rules made by the Financial Conduct Authority under Part VI of FSMA, as amended from time to time
London Stock Exchange	London Stock Exchange plc
Main Market	the main market of the London Stock Exchange
Management Agreement	the Management Agreement between the Company, the Subsidiary and the Manager, a summary of which is set out in paragraph 8.2 of Part 7 of this document
Manager	R&H Fund Services (Jersey) Limited, a company incorporated in Jersey with registered number 42576
Market Value	the aggregate market value of the Properties comprised in the Initial Property Portfolio as at 30 September 2014 as set out in the Valuer's report in Part 5 of this document
Minimum Issue Proceeds	the minimum gross proceeds of the Issue being £85 million
Minimum Net Proceeds	the Minimum Issue Proceeds less the Issue Costs
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
Offer or Offer for Subscription	the offer for subscription of Ordinary Shares at the Issue Price as described in this document
Official List	the official list of the UK Listing Authority

Ordinary Shareholders or Shareholders	holders of the Ordinary Shares
Ordinary Shares or Shares	ordinary shares of 1p each in the capital of the Company designated as such and having the rights and being subject to the restrictions specified in the Articles
Placing	the placing of Ordinary Shares at the Issue Price as described in this document
Placing Agent	Canaccord Genuity Limited, a company incorporated in England and Wales with registered number 01774003
Placing Agreement	the placing agreement between the Company, the Manager, the Investment Adviser and the Placing Agent, a summary of which is set out in paragraph 8.1 of Part 7 of this document
Properties	the properties comprised in the Initial Property Portfolio, as more fully described in Part 4 of this document, or any one of them as the context requires (each a “Property”)
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 derived from its qualifying property rental business in the UK and elsewhere
Prospectus	this document
Prospectus Rules	the prospectus rules made by the Financial Conduct Authority under Part VI of FSMA, as amended from time to time
Qualifying Property Rental Business	a property rental business fulfilling conditions in section 529 of the CTA 2010
Receiving Agent	Computershare Investor Services PLC
Red Book	RICS Appraisal and Valuation Standards, 6th Edition
Registrar	Computershare Investor Services PLC
Registrar Agreement	the registrar agreement between the Company and the Registrar a summary of which is set out in paragraph 8.5 of Part 7 of this document
Regulatory Information Service	a regulatory information service that is on the list of regulatory information services maintained by the Financial Conduct Authority
REIT	a company qualifying as a real estate investment trust under Part 12 of the CTA 2010
Relevant Registered Shareholder	a Shareholder who holds all or some of the Shares that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
Rental Guarantee	a cash amount of £5.64 million which will be retained from the cash consideration payable to the Vendors and will be held in an escrow account to be drawn by the Group to meet certain rental amounts, rates and service charges in respect of certain of the properties (or parts of properties) in the Initial Property Portfolio which are either currently

	void or subject to rent free periods, as more fully described in Part 4 of this document
Residual Business	the business of the Company which is not 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 Issue or the Prospectus is sent or made available to a person in that jurisdiction
SDLT	Stamp Duty Land Tax
SDRT	Stamp Duty Reserve Tax
Sponsor	Canaccord Genuity Limited
Subsidiary	EPIC (No. 1) Limited a company incorporated in England and Wales with registered number 09106328
Substantial 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 the CTA 2010 as a “holder of excessive rights”)
Substantial Shareholding	Shares in relation to or by virtue of which (in whole or in part) a person is a Substantial Shareholder
Takeover Code	the City Code on Takeovers and Mergers
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UKLA or UK Listing Authority	the Financial Conduct Authority, acting in its capacity as the competent authority for the purposes of Part VI of FSMA, as amended from time to time
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)
Valuer	Knight Frank LLP
Vendors	the vendors of the portfolio of properties comprising the Initial Property Portfolio, being the trustees of the Ediston Opportunity Fund, the trustees of the EOP JV Unit Trust and EOP 2 S.À R.L.

PART 1

THE COMPANY

Introduction

Ediston Property Investment Company 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 UK real estate assets to achieve its objective of providing Shareholders with an attractive level of income together with the potential for capital and income growth. 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 AIFM with responsibility for the portfolio management and risk management of the Group's investments. The Manager has delegated portfolio management services relating to the Company to Ediston Properties Limited. Ediston will advise the Company on the acquisition, management and disposal of the real estate assets in the Group's portfolio. Ediston is an experienced property investment manager, currently managing over £350 million of property assets across the UK for institutional investors. Ediston was awarded Property Company of the Year at the Scottish Property Awards in February 2014.

Under the Placing and Offer for Subscription, the Company is proposing to issue up to 150 million Ordinary Shares to raise gross proceeds of up to £150 million. The Issue is not being underwritten and will not proceed unless valid subscriptions are received for at least 85 million Ordinary Shares at the Issue Price.

The Group has agreed with the Vendors to acquire the Initial Property Portfolio, for an aggregate consideration of £76.7 million, conditional on Admission. The Initial Property Portfolio comprises a diversified portfolio of UK commercial properties which is managed by Ediston. The remaining net proceeds of the Issue are expected to be invested, within a period of five to eight months after Admission (depending on the amount of net proceeds raised pursuant to the Issue), in additional UK real estate assets which will be sourced by the Investment Adviser.

It is intended that the Company will qualify as a REIT shortly following Admission. 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 an attractive level of income together with the prospect of income and capital growth.

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 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. Once the Company is fully invested (including drawdown of available debt facilities), 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.

Once the Company is fully invested (including drawdown of available debt facilities), 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.

The Board currently intends that gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 30 per cent. at the time of drawdown. In any event, gearing will not exceed a maximum of 35 per cent. at the time of drawdown.

Any material change to the investment policy will require the prior approval of Shareholders.

Investment opportunity and prospects for the UK commercial property market

The Board believes that an investment in the Company offers investors an opportunity to achieve attractive investment returns through exposure to the increasing demand for UK commercial real estate assets, in an improving economy.

The volatility and uncertainty over recent years in the UK real estate market has eased and there is a more positive medium term outlook for the asset class. The Board believes that Ediston's focused stock selection within specific subsectors which are expected to outperform, coupled with innovative and creative asset management, should enhance the performance of the Company's property portfolio.

Through a lack of significant development over the past seven years, the UK commercial property market does not have an overhang of available supply of accommodation. This favourable supply and demand equation, together with improving tenant demand and reducing lease incentives has seen rental values in certain subsectors increasing. Further, property rental value growth is directly influenced by positive GDP growth which has been evident, and is forecast to continue, in the UK economy.

The Board believes that the current market environment, good stock selection and the prospects for rental growth over the medium term will help the Company to achieve its investment objective. The appointment of Ediston as investment adviser with its skill-set and focused driven approach to adding value to property investments will be a key element in delivering the investment objective.

Investment process

Target investments

The Company will focus on core and core plus assets with a typical lot size of £10 million to £25 million, across the UK. Where risk can be controlled, the Company will also target properties which offer opportunities to add value through active asset management such as properties which are in prominent commercial locations but are considered sub-prime in quality, due to factors such as physical condition or sub-standard lease lengths and voids. The Company will seek, wherever possible, to identify assets which provide the possibility to exploit market mispricing.

The Investment Adviser will not be constrained by sectoral or geographical benchmarking but will concentrate on market segments and individual properties which it believes will outperform over the medium to longer investment term. Ediston has shown a track record of applying its expertise and

intensive style of investment management to create assets which are of institutional quality and deliver income and capital growth ahead of the market.

The Company will seek to acquire assets which offer (or have the potential to offer) a secure income stream, with unexpired terms in line with the market average, secured against good covenants. It will typically target assets which have a net initial yield in excess of 6.5 per cent., although it may hold assets with a lower net initial yield if there are portfolio benefits. The Investment Adviser will not be precluded from acquiring assets which have short leases and therefore income streams below the market average, if the Investment Adviser believes there is strong occupational demand for space and/or where the property value will be enhanced by re-negotiating leases or re-letting the accommodation at expiry. The Board believes the skill-set of the Investment Adviser in this area to be strong and a key attribute for delivering performance.

Investments will be sought in the Greater London, wider South East and regional markets, with the “Big 6” regional office markets (Bristol, Manchester, Birmingham, Leeds, Edinburgh and Glasgow) likely to feature due to their positive rental growth prospects. Retail warehousing, which can offer core income often along with the ability to enhance returns through controlled development, will also be targeted. Industrial, which can offer a good income return, will also be considered, although the Investment Adviser believes that pricing in some areas has become too strong. Other commercial assets such as hotel, leisure and student residential will also be considered as these sectors can offer long leases, often with indexation or fixed rental uplifts, secured against good covenants. The Investment Adviser aims to avoid institutional investment trends but will seek to acquire assets in the best performing subsectors of the market.

Asset origination and sourcing

Through its extensive contacts with agents, advisers and landlords, the Investment Adviser has a well developed sourcing network as well as knowledge of the UK market and entrepreneurial expertise to purchase suitable stock, off market wherever possible. Ediston is therefore confident that it can continue to source suitable assets in accordance with the Company’s investment policy.

Due diligence procedures

The investment process encompasses a clear understanding of the macro-environment, coupled with sound research of the supply and demand fundamentals of the local markets and a firm emphasis placed on a detailed financial appraisal of cash flow and income quality, adopting the principle of “cash flow first, bricks and mortar second”.

When suitable opportunities are identified, the due diligence phase will commence. This has two main strands: the fundamental property acquisition diligence and the detailed preparation and interrogation of a business plan for the property.

During the acquisition diligence each property will be carefully assessed for potential risks from, *inter alia*, legal, environmental, income and building fabric perspectives. A valuation will be carried out by an independent valuer and the contribution which the asset would make to the Company’s overall portfolio will also be analysed.

At the same time a detailed business plan will be prepared on the property which will examine the asset in detail and highlight any areas which can be exploited to deliver performance. Where the business plan requires it, the aim will be to speak with all tenants, planning authorities, neighbouring landlords and occupiers, utility providers, planning consultants, agents and any other adviser, organisation or individual who might have knowledge. This process will assist the Investment Adviser to understand fully the potential drivers of performance of the asset and to thoroughly interrogate the business plan. This key process of acquiring any property for the Company will be detailed, robust, consistent and involve a minimum of two investment professionals within Ediston’s organisation.

Only once the Investment Adviser is convinced that the fundamental due diligence has been satisfactorily completed and that the business plan is credible and deliverable, will it proceed to recommend the purchase of an asset to the Board.

Asset management

The way Ediston approaches asset management is fundamental to the investment process. The Investment Adviser will identify and implement added value opportunities where possible, without placing unnecessary risk on the Company.

At a basic level, asset management includes negotiating rent reviews and lease renewals and, if applicable, letting void space, but extends beyond this to more complex tenant engineering (i.e. upsizing or downsizing tenants), extending floor space to accommodate existing or new tenants, on a pre-let basis, so that the Company is not exposed to speculative development risk or refurbishment of assets to improve letting prospects and drive rental growth.

Ediston has a current average ratio of one surveyor managing three assets which means that every asset is intensively managed. This ratio compares favourably with other mainstream institutional real estate managers. Further, the Investment Adviser comprises a team of investment professionals experienced in both institutional and property company sectors. Surveyors with a particular expertise are used to deliver specific parts of the business plan. It is not unusual for four investment professionals, each with their own specialism, to be involved with the delivery of a business plan. This allows the Investment Adviser to intensively manage the assets to maximise performance.

The Investment Adviser believes that the sales process is a vital and often overlooked area of the investment process. The Company will look to exit assets if market conditions are right and provided that such a sale would not adversely impact the Company's ongoing performance, having regard to the Company's investment objective.

Future supply

The Investment Adviser is a well-resourced business with an extensive network of agents, advisers and property owners which provides access to a healthy pipeline of investment opportunities on both an off market and on market basis. Ediston has been involved in acquiring £155.8 million of commercial real estate for clients during the calendar year to date. For the period up to six months after Admission or, if later, until the Group is fully invested (including proposed borrowings but excluding working capital), the Company will have a right of first refusal on every investment opportunity which is in accordance with the Company's investment policy and deemed suitable for the Company with the exception of any property/investment opportunity located within the region of Strathclyde.

Management of risk

The analysis and management of risk is integrated within Ediston's investment approach. The analytical approach to appraising assets and considering risk within the property business plans will highlight key risks on all properties. These key risks will be highlighted in any due diligence and purchase reports to the Board and monitored on a quarterly basis along with levels of gearing, and other criteria such as lease expiries, tenant covenants and exposure, voids and rent reviews and debt covenants.

Sustainability

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

The Initial Property Portfolio

The Group has entered into legally binding agreements with the Vendors to acquire a portfolio of five properties, the Initial Property Portfolio, for an aggregate consideration of £76.7 million conditional on Admission. In respect of certain of the Properties, the Vendors are granting the Rental Guarantee and £5.64 million of cash proceeds will be retained in a separate escrow account to meet the obligations under the Rental Guarantee.

The Initial Property Portfolio is managed by Ediston within an existing opportunity fund established by Ediston in 2007. The Initial Property Portfolio comprises the mature assets within that opportunity fund. Ediston will continue to manage the remaining properties in such opportunity fund on behalf of the

Vendors. The Investment Adviser believes that the Initial Property Portfolio represents a good purchasing opportunity for the Company and scope for providing an attractive initial yield for a substantial proportion of the Company's portfolio on launch.

The Initial Property Portfolio currently generates a net annual rent (including amounts to be drawn down under the Rental Guarantee) of approximately £5.72 million (being a running income return of 7.05 per cent. on its Market Value). The average unexpired lease term of the occupational leases of the properties comprised in the Initial Property Portfolio (weighted by current gross annual rent and taking into account the Rental Guarantee) is approximately 5.03 years and all of the rent review provisions in occupational leases of the Properties are upwards only.

In order to mitigate the risk of a conflict of interest between Ediston's duties to the Company and its duties to the Vendors in relation to the acquisition of the Initial Property Portfolio, the properties comprised in the Initial Property Portfolio have been externally valued by the Valuer with a Market Value of £76.7 million as at 30 September 2014.

The Initial Property Portfolio includes properties in prominent UK commercial locations with opportunities to enhance income by inter alia re-negotiating leases, refurbishing then re-letting vacant space and/or implementing controlled, pre-let development plans. The Properties fall within the scope of the investment policy and strategy of the Company and it is expected that the acquisition of the Initial Property Portfolio will complete on or shortly after Admission.

The cost of acquiring UK commercial property is typically equal to 5.8 per cent. of the purchase price. It is anticipated that the cost of acquiring the Initial Property Portfolio will be significantly lower at 3.0 per cent. of the purchase price and that such costs incurred will be reflected in the first Net Asset Value of the Ordinary Shares calculated as at 31 December 2014.

Further details of the Initial Property Portfolio are set out in Part 4 of this document.

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 for the corporate entity which owns the underlying property. 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 an attractive level of dividend income to Shareholders on a monthly basis. Whilst not forming part of its investment policy, the Company will target an annual dividend of not less than 5.5p per share. This level of dividend is expected to be covered by the Group's net income once the Company is fully invested. In respect of the Company's first financial period 30 September 2015 the Company expects to pay an aggregate dividend of 5.09p per Share (which equates to a dividend yield of 5.5 per cent. per annum on the Issue Price).

An initial dividend of 0.9685p per Share will be paid in respect of the period from Admission to 31 December 2014. It is expected that this dividend will be paid in January 2015, provided that the Company has received approval for the cancellation of its share premium account. Thereafter dividends will be paid on a monthly basis at a rate of 0.4583p per Share. 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.

As a REIT, the Company will be required to distribute 90 per cent. of tax-exempt profits from its qualifying property rental business as Property Income Distributions. In accordance with the REIT conditions, it is therefore expected that a significant proportion of dividends will be paid in the form of

Property Income Distributions. The split of dividends declared will vary between PID and non-PID over time. Further details of the tax treatment of a distribution from the Company are set out in Part 6 of this document.

Gearing policy

The Board currently intends that gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 30 per cent. at the time of drawdown. In any event, gearing will not exceed a maximum of 35 per cent. of the Company's gross assets at the time of drawdown.

Provided the Board believes gearing will enhance Shareholder returns, the Board will put in place borrowings. The Group 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 Issue. The Board intends to consider with its advisers 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 in the medium to long term.

Capital structure

Share capital

The share capital of the Company consists solely of Ordinary Shares. 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.

Duration

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

Further issues of Ordinary Shares

It is the Board's current intention that, once the proceeds of the Issue 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 further Ordinary Shares to fund any such further acquisitions of UK real estate assets when the Directors consider it to be in the best interests of the Shareholders 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. Furthermore, the Directors will only exercise this authority if they believe it is advantageous and in the best interests of the Company to do so, and will in no circumstances issue Shares if to do so would result in a dilution to the Net Asset Value per 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 15 October 2014, by Ediston Properties Limited, being the only Shareholder of the Company at the time, it was resolved to disapply the pre-emption rights in relation to the issue of up to 10 per cent. of the number of Ordinary Shares in issue following Admission for the period concluding on the earlier of the conclusion of the first annual general meeting of the Company and 18 months after the resolutions granting such authority were passed. 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.

Share buybacks

During the initial investment phase of the Company it is highly unlikely that the Directors will buy back any Ordinary Shares. Thereafter 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.

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 five 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.

Group structure

The Company is a newly formed UK investment company without a fixed life. The share capital of the Company, consisting solely of Ordinary Shares, will be listed on the premium segment of the Official List and traded on the Main Market.

It is anticipated that the Subsidiary, a wholly-owned subsidiary of the Company, will hold the Company's assets. The Company controls the investment policy of the Subsidiary to ensure that it complies with the investment policy of the Company and the investment restrictions that apply to the Company. The Subsidiary is also party to the Management Agreement and the Investment Adviser Agreement. It is anticipated that the Subsidiary will be the principal investment holding company for the Company and will invest either directly or indirectly in UK real estate assets which the Company intends to invest in. Further details of the Subsidiary are set out in paragraph 1.2 of Part 7 of this document.

Subsidiaries and investment structures

The structure to be used for any future acquisition of property assets will be reviewed at the time of the relevant acquisition and the Group 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 Group 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 Group.

PART 2

DIRECTORS, MANAGER, INVESTMENT ADVISER AND ADMINISTRATION OF THE COMPANY

Directors

The Board comprises four Directors, all of whom are non-executive and independent of the Manager and the Investment Adviser. 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:

Ratan Engineer was until recently the Head of Global Wealth & Asset Management at Ernst & Young where he acted as an auditor and adviser to a number of the world's largest traditional asset managers and their funds, closed and open-ended, as well as to a number of hedge funds and private equity managers. Ratan Engineer has more than 25 years of experience both as a principal and advising clients in the asset management sector on *inter alia* corporate structuring, market entry strategies, capital raising, regulatory and risk matters. He qualified as a chartered accountant with Robson Rhodes in 1977. Prior to joining Ernst & Young he was Chief Financial Officer of Invesco MIM, now Invesco. He is Chairman of Blackstone Alternative Investment Funds plc and a non-executive director and Chairman of the Audit Committee of the North East London NHS Foundation Trust.

Robin Archibald was until recently a director of Winterflood Investment Trusts where he was head of corporate finance and broking from August 2004 to August 2013. He has over 30 years experience of working in the corporate finance and corporate broking industries, including roles with Samuel Montagu, SG Warburg Securities and NatWest Wood Mackenzie, and qualified as a chartered accountant with Touche Ross in 1983. Since the early nineties, he has concentrated on advising and managing transactions in the UK closed-ended funds sector and has gained a wide experience in fund raising, reorganisations and restructurings for all types of listed funds. Robin Archibald was a non-executive director and audit chairman of Albion Income and Growth VCT from September 2010 until November 2013, when the company merged with Albion Technology and General VCT PLC and he was appointed to the successor company board and as audit chairman.

Robert Dick qualified as a member of The Institute of Chartered Accountants of Scotland (ICAS) in 1980 and has over 28 years experience of working in the real estate industry. He joined CALA in 1985 when the company had a full London Stock Exchange listing and held several key executive and non-executive positions over a 23 year period, including serving as Group Finance Director for ten years, Chairman of CALA Properties, a property development business, for eight years and a trustee of the CALA pension scheme for fifteen years including eleven years as Chairman. Robert Dick led the CALA team which completed a successful MBO in 1999, delisting the CALA group and taking it private. Robert Dick left CALA in 2008 and now works with a number of businesses as investor, mentor and non-executive director. He has been a member of the ICAS Council since 2009 and chaired one of the ICAS Boards from 2009 to 2012.

William Hill qualified as a Chartered Surveyor with Drivers Jonas in 1985. He left Drivers Jonas in 1989 to join Schroders becoming head of real estate in 1991 with responsibility for a business that managed approximately £10 billion of assets including the Schroder Real Estate Investment Trust, a listed investment company he secured the mandate to manage in 2011. William Hill resigned from this position in November 2013 to set up his own consultancy business. He is a non-executive director of Mayfair Capital Property Investment Management Ltd and a member of the investment boards of Ashby Capital LLP and The Goldsmiths' Company. He is also a director of Chartered Surveyors Training Trust. In his capacity as head of real estate at Schroders, William Hill was on the board of Ediston Properties Limited and Ediston International Holdings Limited until he resigned in November 2013.

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 Ratan Engineer as Chairman. All of the Directors are considered by the Board to be independent of the Manager and the Investment Adviser. William Hill was appointed a non-executive director of the Investment Adviser and Ediston International Holdings Limited in connection with an investment of his former employer Schrodgers in Ediston International Holdings Limited. He resigned as a director of the Investment Adviser and Ediston International Holdings Limited in November 2013 prior to Schrodgers’ disposal of its investment in Ediston International Holdings Limited. He was not an employee of either the Investment Adviser or Ediston International Holdings Limited and did not receive remuneration in respect of his role. Accordingly the Board consider William Hill to be independent of the Investment Adviser. 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 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 Ratan Engineer. 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 this Part 7 of this document.

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

Robert Dick 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 external 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

Ratan Engineer 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 Manager's continuing appointment, together with the terms and conditions thereof on a regular basis.

The investment committee and the property valuation committee

The investment committee and property valuation committee will comprise the full Board. It will be chaired by Ratan Engineer. The investment committee will be responsible for authorising all purchases and sales within the Company's portfolio. The property valuation committee will be responsible for reviewing the quarterly independent property valuation reports produced by the Valuer, once the net proceeds of the Issue have been fully invested, prior to their submission to the Board.

Each of the committees have written terms of reference which are reviewed at least annually and clearly define their responsibilities and duties.

The Investment Management Arrangements

Manager

The Company has appointed R&H Fund Services (Jersey) Limited as its AIFM pursuant to the Management Agreement, the terms of which are set out in more detail below and in Part 7 of this document.

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

The Manager has entered into the Investment Adviser Agreement with Ediston. Pursuant to the terms of the Investment Adviser Agreement, the Manager has delegated responsibility for sourcing acquisitions, identifying disposal opportunities and portfolio management services relating to the Group to Ediston, although the Manager's liability to the Company for all matters so delegated has not been affected thereby. The Manager has, and shall maintain, the necessary expertise and resources to supervise effectively those tasks delegated to the Investment Adviser.

Under the terms of the Management Agreement, the Manager is also responsible for obtaining and maintaining from the FCA or the Jersey Financial Services Commission all approvals necessary for the Manager 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 Group 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 Manager is a limited liability company which is a non-EU AIFM and is authorised and regulated by the Jersey Financial Services Commission. Established in 2007, the Manager currently acts as AIFM for a number of funds which comprise over 90 separate client portfolios with approximately £750 million under management.

Investment Adviser

Launched in 2004, Ediston currently manages over £350 million of property assets across the UK for institutional investors. It comprises a team of experienced individuals with an average of 21 years' real estate experience in both institutional and property company sectors.

Ediston raised £150 million of debt and equity for an unlisted opportunity fund in 2007 and has raised a further £90 million in debt and equity since its launch. Ediston also manages a property fund for a local government pension fund with gross commitments of £50 million.

In its capacity as investment adviser to the Company, Ediston 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 Investment Adviser has indicated that it will appoint an experienced third party to act as managing agents of the Initial Property Portfolio.

Ediston intends to apply to the FCA in the near future for authorisation to manage alternative investment funds in accordance with the terms of the AIFMD. Once such authorisation has been approved the Board intends to appoint Ediston as the Company's AIFM in place of R&H Fund Services (Jersey) Limited.

The Investment Adviser's team comprises nine property professionals. The key personnel who will be responsible for managing the portfolio are:

Danny O'Neill BSc., MRICS, DipPropInv, is founder and Chief Executive of Ediston and has 22 years' experience in real estate markets. Before founding Ediston in 2004, Danny was Investment Director at Standard Life Investments (SLI) where he was responsible for managing £2.0 billion of UK real estate assets invested across three funds, for corporate and retail clients. He set up and launched the segregated property business at SLI and won the company's first third party mandates in 2001 and 2002. At Ediston he is responsible for transacting investment and development opportunities, and for business growth.

Calum Bruce BSc (Hons) MRICS, joined Ediston from Scottish Widows Investment Partnership where he was involved with both wholesale and institutional mandates. Calum was Fund Manager of the £160 million real estate element of the Halifax Managed Income Fund, a fund which aimed to provide an above average income return and capital growth over the longer term. He was Deputy Fund Manager of LTGP Limited Partnership Incorporated, a pension fund with direct and indirect assets of approximately £750 million. Prior to this appointment he worked on the SWIP Property Trust, an Authorised Property Unit Trust marketable to retail and institutional investors. He was involved from launch and in growing it from approximately £600 million to over £1 billion in value.

Rankin Laing FCCA, DipPropInv, is Financial Director and is responsible for fund administration, client reporting, company structures, accounting, taxation, treasury, property appraisals and performance measurement and analysis. He joined Ediston in 2007. Prior to joining Ediston, Rankin spent six years at Waterfront Edinburgh Ltd as Deputy Chief Executive where he was responsible for finance and business planning. Before this, he worked at Standard Life Investments where he managed the finance team responsible for real estate assets of more than £6 billion. Rankin is a Fellow of the Association of Chartered Certified Accountants and holds a Postgraduate Diploma in Property Investment.

The key team is backed up by a further two real estate professionals with both institutional and property company experience and knowledge of all segments of the UK real estate market. Danny O'Neill intends to subscribe for 150,000 Ordinary Shares and Calum Bruce and Rankin Laing each intend to subscribe for 50,000 Ordinary Shares under the Issue.

Management Agreement and Investment Adviser Agreement

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

Pursuant to the terms of the Investment Adviser Agreement, the Manager has delegated portfolio management services relating to the Company to the Investment Adviser on the same terms as the Management Agreement. The Manager has, and shall maintain, necessary expertise and resource to supervise the delegated tasks effectively and shall ensure compliance with the AIFMD and other applicable law. Ediston will advise the Company on the acquisition, management and disposal of the real estate assets in the Group's portfolio

The Management Agreement provides that the Company will pay to the Manager a fixed fee of £15,000 per annum plus an annual portfolio management fee of 0.95 per cent. of the net assets of the Company, provided that this fee shall be 0.75 per cent. of the net assets of the Company that are in excess of £250 million. The Manager has agreed that the portfolio management fee will be paid to the Investment Adviser.

During the refurbishment or development of properties it is customary to appoint a specialist third party adviser to manage such projects and pay to them project management fees in respect of such work. The Board may agree to appoint the Investment Adviser as a project manager if it considers it to be in the best interests of the Company to do so. For such work the Investment Adviser 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 Investment Adviser would not be entitled to retain such commissions.

The Management Agreement and the Investment Adviser Agreement are terminable by any of the parties to them on twelve months' written notice, which can be served at any time after the second anniversary of Admission. The Management Agreement and the Investment Adviser Agreement may be terminated by the Company immediately if the Manager is in material breach of the agreement, guilty of negligence, wilful default or fraud, is the subject of insolvency proceedings or there occurs a change of Key Manager under the Investment Adviser Agreement to which the Board has not given its prior consent. The Management Agreement may be terminated immediately if Ediston is directly appointed as AIFM of the Company. Further details of the Management Agreement and Investment Adviser Agreement are set out in paragraph 8 of Part 7 of this document.

Conflicts of interest

The Investment Adviser 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. In particular, the Investment Adviser may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company. The Investment Adviser will have regard to its obligations under the Investment Adviser 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.

The Investment Adviser also has in place an allocation policy to ensure that it is able to resolve fairly any potential conflicts between the funds that it manages. The Investment Adviser will use reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Investment Adviser that fall within the Company's investment objective and policy on the best terms reasonably obtainable at the relevant time having regard to the interests of the Company. In so doing the Investment Adviser will take into account the available asset opportunities for each of its funds in the light of the stated geographic and tenant concentration policies and the level of uninvested cash held by each of them. For the period up to six months after Admission or, if later, until the Group is fully invested (including proposed borrowings but excluding working capital), the Company will have a right of first refusal on every investment opportunity which is in accordance with the Company's investment policy and deemed suitable for the Company with the exception of any property/investment opportunity located within the region of Strathclyde.

Ediston also acts, in an investment advisory capacity, for the Vendors and Ediston Properties Jersey Limited, a wholly-owned subsidiary of Ediston, is the current investment manager to the JPUT. In order to mitigate the risk of a conflict of interest between Ediston's duties to the Company and its duties to the Vendors in relation to the acquisition of the Initial Property Portfolio, an independent valuation has been carried out in respect of the Initial Property Portfolio. This independent valuation report is set out in Part 5 of this document.

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 £80,000 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 £95,000 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.

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 Company's portfolio and in accordance with IFRS. The Net Asset Value will be calculated by the Administrator based on information provided by the Investment Adviser 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 31 December 2014 and will reflect the costs of acquiring the Initial Property Portfolio.

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 each year with the first annual general meeting to be held in 2015 and no more than 18 months after the date of incorporation of the Company.

The Company's annual report and accounts will be prepared up to 30 September each year, commencing in 2015, and it is expected that copies will be sent to Shareholders by the following January. 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. For so long as it is required to by the Disclosure and Transparency Rules, the Company will also issue interim management statements within the meaning of the Disclosure and Transparency Rules during the period commencing ten weeks after the beginning and six weeks before the end of each six month period of the financial year, covering the period between the beginning of such six month period and the date of publication of such statement.

Accounting policy

The audited accounts of the Company will be prepared under IFRS which the Directors believe is an acceptable body of generally accepted accounting practice. 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 show 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 charged to the Company's special reserve.

Annual expenses

The principal annual expenses of the Company will be the fees payable to the Manager, the Investment Adviser, 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 Issue is fully subscribed) that the annualised total expenses of the Company for the period ending 30 September 2015 (excluding the Issue Costs, capital expenditure and refurbishment and irrecoverable property running costs) will be approximately £1.88 million (being 1.28 per cent. of the net assets). It is estimated (on the basis that the Minimum Issue Proceeds are raised) that such expenses will be approximately £1.30 million (being 1.56 per cent. of the net assets).

PART 3

THE ISSUE

The Issue

The Company is offering up to 150 million Ordinary Shares under the Issue. The Issue comprises the Placing and the Offer for Subscription. No commission is payable by the Company to new investors under the Issue. The Ordinary Shares will be issued at a price of 100p. The Issue Costs will be approximately £2.8 million (on the assumption that the Issue is fully subscribed).

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

The Issue, 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 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 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 28 October 2014 or such time and/or date as the Company and the Sponsor, in conjunction with the Placing Agent may agree, being not later than 28 November 2014;
- (b) the Placing Agreement having become unconditional in all respects (save for the conditions relating to Admission) and not having been terminated in accordance with its terms before Admission; and
- (c) the gross proceeds of the Issue being the equivalent of at least £85 million (the “Minimum Issue Proceeds”).

The Minimum Issue Proceeds condition, set out in paragraph (c) 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 Issue 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 Placing Agent, believes that the Company will achieve the minimum subscription level of £85 million.

The Directors believe that 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.

The Placing

The Company, the Investment Adviser, Manager and the Placing Agent have entered into the Placing Agreement pursuant to which the Placing Agent has agreed subject to certain conditions to use reasonable endeavours to procure places in the Placing in return for the payment by the Company of placing commissions to the Placing Agent.

Placing commitments should be received no later than 5.00 p.m. on 23 October 2014.

The Offer

The Directors are also proposing to offer Ordinary Shares under the Offer for Subscription.

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 Issue Price. Individual applications must be for Ordinary Shares with a minimum aggregate value at the Issue 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 advisers if they are in any doubt.

Completed Application Forms in relation to the Offer for Subscription must be posted to Computershare, 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 24 October 2014.

Scaling back

A maximum of 150 million Ordinary Shares are available under the Placing and Offer for Subscription. The Company reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Issue. In the event that subscriptions exceed the maximum number of Ordinary Shares available under the Issue, the Directors will scale back subscriptions under the Placing and Offer for Subscription 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 Issue (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 Issue Price, of the Ordinary Shares issued pursuant to such application, the balance of such sum (which will never exceed the Issue 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 28 October 2014. No dealings will commence before this date.

Ordinary Shares issued pursuant to the Issue 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 3 November 2014. 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 Issue cannot be revoked after dealings have commenced on 28 October 2014. The ISIN number for the Ordinary Shares is GB00BNGMZB68.

Issue Costs

The costs and expenses of the Issue include the costs of incorporation of the Company, the fees and commissions to the Placing Agent, the fees payable to professional advisers and other related expenses.

The Costs Contribution Agreement provides that Issue Costs, which are payable by the Company shall be capped at two per cent. of the proceeds raised pursuant to the Issue (being an amount equal to the number of Shares issued multiplied by the Issue Price). Ediston shall be responsible for paying any costs in excess of such amount.

The net proceeds of the Placing and Offer are expected to be £147.2 million (on the assumption that the Issue 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. Ordinary Shares issued pursuant to the Placing are not eligible for inclusion in an ISA. 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 (£15,000 in respect of a New ISA from 1 July 2014). 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 advisers 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 Manager, Investment Adviser and the Placing Agent 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 Administrator, the Manager, the Investment Adviser, the Sponsor and the Placing Agent 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, Placing Agent, the Manager and the Investment Adviser, may refuse to accept a subscription for Ordinary Shares.

PART 4

THE INITIAL PROPERTY PORTFOLIO

The information contained in this Part 4 provides an analysis of the Initial Property Portfolio as at the date of this document. The information contained in this Part 4 is unaudited. The effective date of the valuation of each of the properties is stated as at 30 September 2014. There has been no material change in the value of the properties from the date of their valuation to the date of this document.

A. Summary of the Initial Property Portfolio

Summary description of the Initial Property Portfolio

Property ¹	Sector	Current Net Annual Rent ²	Estimated Net Annual Rent	Initial Yield	Market Value
Edinburgh, 145 Morrison Street	Offices	£534,540	£637,000	8.08%	£6,250,000
Birmingham, St Philips Point, Temple Row	Offices	£1,691,176	£1,533,250	7.15%	£22,350,000
Reading, Phoenix, Station Road	Offices	£1,357,385	£1,393,750	6.58%	£19,500,000
Rhyl, Clywd Retail Park	Retail Warehousing	£1,093,735	£1,093,735	6.85%	£15,100,000 ³
Sheffield, Cutler's Gate, Parkway	Offices	£1,047,846	£924,500	7.34%	£13,500,000
		£5,724,682	£5,582,235	7.05%	£76,700,000

¹ All freehold/heritable unless otherwise stated.

² Rental figure includes the Rental Guarantee for vacant space in Edinburgh, Reading and Birmingham and top-ups of any leases subject to a rent free period.

³ Valuation will be topped up to £17,000,000 if proposed extension is constructed and new unit becomes income producing. In such event the Company will pay £1,900,000 less the costs of construction, tenant incentives and letting and legal fees.

Tenant information

Tenant Name	Next Break/Expiry	Current Net Annual Rent
Capita Business Services Limited	31/01/2025	£1,047,846
Weightmans LLP	31/07/2019	£606,452
Xafinity Consulting Limited	16/05/2019	£523,285
B&Q plc	24/03/2020	£508,644
AXA Insurance UK plc	28/09/2018	£400,824
Baker Tilly Management Limited	11/04/2017	£371,400
Samsung Electronics (UK) Limited	16/09/2018	£259,254
Pets at Home Limited	24/03/2020	£148,000
DSG Retail Limited	24/03/2020	£148,000
Carpwright plc	24/03/2020	£119,500
Halfords Limited	24/03/2020	£109,000
Pizza Hut (UK) Limited	01/07/2022	£60,591
Stuart Crown Hairdressing Limited	30/10/2017	£32,500
Samsung Electronics (UK) Limited (car parking)	02/11/2014	£25,500
Weightmans LLP (car parking)	19/03/2016	£6,000

There are currently no arrears from any tenant within the Initial Property Portfolio. There have been no arrears over the past 12 months. The Investment Adviser monitors the covenant strength of the tenants within the Initial Property Portfolio and will continue to do so after acquisition.

Lease length

The length of the occupational leases of the Properties can be summarised as follows:

Length of leases	As a percentage of current gross annual rent ¹	
	Initial Property Portfolio	
0 – 5 years		62.59%
5 – 10 years		19.11%
10 – 15 years		18.30%
15 – 20 years		0.00%
20+ years		0.00%

¹ Includes amounts to be drawn down under the Rental Guarantee.

The average lease length of the Properties, taking into account the Rental Guarantee, is 5.03 years, weighted by current gross annual rent as at 30 September 2014. This has been calculated to the earlier of the expiry date of the lease and first break option. Ignoring break options the average lease length to expiry, weighted by current gross annual rent (taking into account the Rental Guarantee) as at 30 September 2014, is 6.19 years.

The average lease length of the Properties, ignoring the Rental Guarantee, is 5.95 years, weighted by current gross annual rent as at 30 September 2014. This has been calculated on the earlier of the expiry date of the lease and first break option. Ignoring break options the average lease length to expiry, weighted by current gross annual rent as at 30 September 2014, is 7.46 years.

Voids

The technical void rate in the Initial Property Portfolio represents 25.05 per cent. of the Estimated Net Annual Rent of the Properties. However, as the Company will receive rental-top-ups on the void space, the actual void rate will be nil.

Lease terms

The occupational leases of the Properties are in terms which could reasonably be expected for properties of the type comprised in the Initial Property Portfolio. Subject to the above and viewing the Initial Property Portfolio as a whole, the occupational leases of the Properties in the Initial Property Portfolio are in general terms institutionally acceptable.

Property condition

Independent building surveys, mechanical and electrical surveys (where appropriate) and environmental surveys have been undertaken for each of the Properties. These have been reviewed by the Investment Adviser and it is considered that the condition of the Properties is acceptable having regard to the Properties' age, use, type and lease terms.

B. Acquisition of the Initial Property Portfolio

The Group has entered into conditional legally binding agreements with the Vendors dated 15 October 2014. Under these agreements, the Group has agreed, conditional only on Admission, to acquire the properties comprised in the Initial Property Portfolio. Certain of the Properties will be acquired directly by the Group and the remainder will be acquired through the acquisition of all the units in the JPUT which owns the properties. The acquisition of the JPUT provides flexibility for the Group in terms of how the Properties will be held. The current intention of the Group is to hold the entire Initial Property Portfolio directly and therefore the Group intends to undertake a restructuring, immediately post acquisition, involving the properties held in the JPUT, and the subsequent liquidation of the JPUT.

The aggregate consideration for these properties and the JPUT is £76.7 million, adjusted to take into account accruals of rental income and charges already paid to or by the Vendors. The Properties have been externally valued by the Valuer with a Market Value of £76.7 million as at 30 September 2014. The consideration will be satisfied by the payment of £76.7 million in cash less the amount of any liabilities of the JPUT, including the debt referred to below.

£5.64 million of the cash consideration will be retained in an escrow account to meet the obligations under the Rental Guarantee. Under the terms of the Rental Guarantee, the Group shall be entitled to draw down amounts on a quarterly basis to meet (i) the agreed rent on properties in the Initial Property Portfolio which are currently subject to rent free periods; and (ii) rent, rates and service charges in respect of the voids at the properties in Edinburgh, Birmingham and Reading. It is expected that this amount will be sufficient to meet the rent free periods in full and to meet the rent, rates and service charges for a period of two years in Edinburgh and in Reading and for periods of up to thirty months in Birmingham. For the purposes of this document, and in particular the information set out in this Part 4, these amounts are treated as contracted rental income for the estimated period of cover referred to above. In the event that the properties at Edinburgh, Birmingham and/or Reading are let earlier than expected then the Vendor may be entitled to repayment of part of the amounts held in the escrow account.

In addition, in respect of the property in Edinburgh it has been agreed that, if the entire property is let to a single tenant prior to 31 December 2014, for a term in excess of 15 years, the Vendor will receive a top up payment based on the increase in value as at 31 December 2014 from the purchase price of £6,250,000. The Valuer will carry out this independent valuation. The top up amount to be paid to the Vendor will equal 50 per cent. of the uplift in valuation, capped at £1,000,000. Any rent free guarantees, capital contributions or tenant incentives to be paid by the Vendor under the terms of Rental Guarantee will still be payable.

At completion of the acquisition of the JPUT, the JPUT will have debt of approximately £27.5 million which is expected to be repaid by way of a capital contribution from the Company to the JPUT. The agreements contain warranties and representations customary to agreements of this nature. Completion of the acquisition of the Initial Property Portfolio is expected to occur immediately on, or shortly after, Admission. Each party to the agreements is entitled to rescind the agreement in the event that Admission does not occur by 31 October 2014.

PART 5

VALUATION REPORT ON THE INITIAL PROPERTY PORTFOLIO

The Directors of
Ediston Property Investment Company plc
Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors of
EPIC (No.1) Limited
Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors of
Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

16 October 2014

Dear Sirs

VALUATION REPORT ON THE INITIAL PROPERTY PORTFOLIO

Market Valuation as at 30 September 2014

1.0 Introduction

- 1.1 In accordance with our instructions, we have carried out a valuation of the freehold or heritable interests in the properties referred to in the Schedule appended to this Report (the "Properties") and now report our opinion of the Market Values of the Properties as at 30 September 2014.
- 1.2 This Report is required for inclusion in a prospectus (the "Prospectus") which is to be published in connection with the Listing of a property company on the London Stock Exchange, to be known as Ediston Property Investment Company plc, and is provided expressly for this purpose and this purpose only.
- 1.3 The Properties comprise retail or office assets and have been categorised as investment properties.
- 1.4 The valuations have been prepared in accordance with the RICS Valuation – Professional Standards January 2014, issued by the Royal Institution of Chartered Surveyors (the "Red Book"), with Rules 5.6.5 and 5.6.6 and paragraph 2.7, Annex XV, Appendix 3 of the Prospectus Rules published by the Financial Conduct Authority and with paragraphs 128 to 130 of ESMA Update of the CESR Recommendations for the consistent implementation of the European Commission's Regulation (EC) No 809/2004 implementing the Prospectus Directive (the "CESR Recommendations").
- 1.5 The Schedule comprises brief details of each of the Properties, the associated terms of tenure, occupational tenancy overview and details of Net Annual Rent, as well as the Market Values, as at 30 September 2014.

Net Annual Rent is defined within the FCA's handbook as:

“The current income or income estimated by the valuer:

- (1) ignoring any special receipts or deductions arising from the property;
- (2) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
- (3) after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent.”

1.6 The Properties were inspected within the last four months.

2.0 Compliance and Disclosures

2.1 Knight Frank LLP is instructed as External Valuer, as defined by the Red Book and regulations made by the Financial Conduct Authority.

2.2 As you are aware, Knight Frank LLP are to be instructed by the Investment Adviser to value the Properties held within the Company on a quarterly basis for performance purposes following the completion of the Listing. Richard F Booth MRICS will be responsible for this instruction.

2.3 Knight Frank LLP has not had any material involvement with the Properties within the last 12 months and report without any conflict of interest.

2.4 The valuer, on behalf of Knight Frank LLP, with responsibility for this report is Richard F Booth MRICS, RICS Registered Valuer. Parts of the valuation have been undertaken by additional valuers. We confirm that the valuer and additional valuers collectively meet the requirements of RICS Valuation – Professional Standards VPS 3, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

2.5 In relation to Knight Frank LLP’s preceding financial year, the proportion of the total fees paid by the Company to the total fee income of Knight Frank LLP was less than 5 per cent. We recognise and support the RICS Rules of Conduct and have procedures for identifying conflict of interest checks.

3.0 Basis of Valuation

3.1 The Properties have been valued on the basis of Market Value in accordance with the RICS Valuation – Professional Standards VPS4(1.2) This is an internationally recognised basis and is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

3.2 No allowance has been made for expenses of realisation or for any taxation which might arise, and our valuations are expressed exclusive of any Value Added Tax that may become chargeable.

3.3 Our valuations reflect usual deductions in respect of purchaser’s costs and, in particular, full liability for UK Stamp Duty as applicable at the valuation date.

3.4 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

3.5 The Valuer’s opinion of Market Value was primarily derived using recent comparable market transactions on arm’s length terms, where available, and appropriate valuation techniques (The Investment Method).

3.6 In the case of the Properties having development potential, the Residual Method has been adopted which is the generally accepted method for valuing such properties. In these instances we form an opinion of the completed development (Gross Development Value) using the Investment Method and deduct from it the total costs of development and an allowance for

developer's profit. We would note, however, that none of the Properties are actually in the course of development.

- 3.7 The Properties have been valued individually and not as part of a portfolio.
- 3.8 Save as otherwise disclosed, it has been assumed for the purpose of valuation that the relevant interests in the Properties are free of mortgage, charge or other debt security and no deduction has been made for such charge or debt.

4.0 Valuation Assumptions

4.1 Sources of Information

Our valuations are based on information provided by the Company's investment adviser, Ediston Properties Limited of 39 George Street, Edinburgh, EH2 2HN, (the "Investment Adviser") upon which we have relied, and which has not been verified by us. Our assumptions (as defined in the Red Book) relating to this information are set out below. If any of the information or assumptions are subsequently found to be incorrect then our valuations should be reviewed.

- 4.2 We would note that where information or documentation hasn't been provided to us we have adopted the appropriate assumptions required to undertake, and report, Market Values. When considering the covenant strength of individual tenants we have not carried out credit enquiries but have reflected within our valuations our general understanding of the investment market's likely perception of tenants' financial status.

4.3 Title

We have been provided with title information and Reports on Title by the Investment Adviser, prepared by its advisors, in regard to the tenure of the Properties and have reflected the findings of the reports in our valuations. We have also subsequently received further (and recently commissioned) Certificates of Title, prepared by Freeths LLP, Walker Morris LLP and Dickson Minto W.S., and have also reflected the findings of these certificates in our valuations.

Our valuations are prepared on the basis that the Properties have good and marketable titles and are free of any undisclosed onerous burdens, outgoings or restrictions. The tenure of each property is identified within the Schedule.

4.4 Tenancy Information

We have been provided by the Investment Adviser with, and relied upon, copies of occupational leases that the Properties are subject to. Where copies of leases have not been provided, nor occupational tenancy information referred to within the associated property Reports and Certificates on Title, we have relied upon a tenancy schedule as provided to us by the Investment Adviser.

Several of the Properties have either vacant space within the building (that is to be considered lettable), or are subject to existing occupational leases that are currently benefitting from a rent free period. To this end, we have been provided with a schedule of rental-top ups (for rent free periods) and a schedule of rental guarantees. It is our understanding that the amounts required to provide (and cover) these top-ups or guarantees are to be held as ring-fenced, and wholly transferable, entities by the Company that are to be drawn down on as an income stream similar to receiving rent and we have been provided with a copy of the rental guarantee agreement confirming the above. To confirm, for the purpose of our reporting, we have valued any tenant currently in a rent free period as effectively fully-income producing as at the valuation date and for any vacant accommodation we have effectively valued the guarantee income as a cashflow until the guarantee period expires.

We highlight in the Schedule which of the Properties are affected.

4.5 *Land Register Inspection and Searches*

We do not undertake searches or inspections of any kind (including web based searches) for title or price paid information in any publicly available land registers, including the Land Registry for England & Wales, Registers of Scotland and Land & Property Services in Northern Ireland.

4.6 *Planning, Highway and Other Statutory Regulations*

We have made verbal/web based enquiries of the appropriate Town Planning and Highways Authorities in respect of matters affecting the Properties, where considered appropriate, although this information was given to us on the basis that it should not be relied upon.

We have not seen specific planning consents and, except where advised to the contrary, have assumed that the Properties have been erected and are being occupied and used in accordance with all requisite consents and that there are no outstanding statutory notices. No allowances have been made for rights, obligations or liabilities arising under the Defective Premises Act 1972.

4.7 *Structural Condition*

We have not been instructed to carry out structural surveys of the Properties, nor to test the services, but have reflected in our valuations, where necessary, the findings contained within various building inspection reports, and/or construction reports, that the Investment Adviser has provided us with, as well as the general condition of the Properties as observed during the course of our internal and external inspections. Our valuations assume the buildings contain no deleterious materials and that the sites are unaffected by adverse soil conditions, except where we have been notified to the contrary.

4.8 *Environmental Issues*

We have not carried out any investigations into past or present uses of either the Properties or any neighbouring land to establish whether there is any potential for contamination from these uses or sites to the Properties. We have, however, been provided by the Investment Adviser with, and relied upon, Environmental Surveys, where available.

We understand that none of the Properties are, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future uses of the properties.

Should it be established subsequently that contamination exists at any of the Properties or on any neighbouring land or that the Properties have been or are being put to a contaminative use this could reduce the values now reported.

We have used the website of the Environment Agency's Indicative Floodplain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information currently available, based on historical flood records and geographical models. They indicate where flooding from rivers, streams, watercourses or the sea is possible. From the website, we have established that none of the Properties are currently classified as being at risk from flooding without the appropriate flood defences being present. We also understand that none of the properties have a history of flooding.

4.9 *Property Insurance*

Our valuations assume that the Properties would, in all respects, be insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

4.10 *Building Areas*

Our valuations, with the exception of Clywd Retail Park, Rhyl, are based on the measurements contained within area survey reports, which have been provided to us by the Investment Adviser. We have assumed these measurements have been undertaken in accordance with the current RICS Code of Measuring Practice. We understand all office areas are provided to us on a Net

Internal Area basis with the Retail property areas provided on a Gross Internal Area basis, as in keeping with general market practices. With regard to Clywd Retail Park, Rhyl, we have relied upon areas as included in the tenancy schedule as provided by the Investment Adviser.

5.0 Valuation

- 5.1 We are of the opinion that the aggregate of the Market Values of the freehold/heritable interests in the Properties as at 30 September 2014 is £76,700,000 (Seventy Six Million, Seven Hundred Thousand Pounds).

The tenure of the Properties comprises the following:

Freehold or heritable	£76,700,000	100%
Long Leasehold	—	—
Mixed Freehold/Leasehold	—	—
Total	£76,700,000	100.00%

6.0 General Conditions

- 6.1 This Valuation Report has been prepared for inclusion in the Prospectus. Knight Frank LLP hereby gives consent to the inclusion of this Valuation Report in the Prospectus and to the references to this Valuation Report and Knight Frank LLP in the Prospectus in the form and context in which they appear. Knight Frank LLP authorises, and accordingly takes responsibility for, the contents of this Valuation Report for the purposes of Rule 5.5.3(2)(f) of the Prospectus Rules and confirms that the information contained in this Valuation Report is, to the best of our knowledge and having taken all reasonable care to ensure that this is the case, in accordance with the facts and contains no omission likely to affect its import.
- 6.2 The contents of this Valuation Report may be used only for the specific purpose to which they refer. Before this Report, or any part thereof, is reproduced or referred to, in any document, circular or statement or published in any way whatsoever whether in hard copy or electronically (including on any web-site), and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, Knight Frank LLP's written approval as to the form and context of such publication or disclosure must first be obtained, but may not be unreasonably withheld or delayed. For the avoidance of doubt such approval is required whether or not Knight Frank LLP is referred to by name and whether or not the contents of our Report are combined with others.

Yours faithfully



Richard F Booth MRICS
RICS Registered Valuer
Partner, Valuations
For and on behalf of Knight Frank LLP

SCHEDULE TO THE VALUATION REPORT

THE INITIAL PROPERTY PORTFOLIO

Address	Description age and tenure	Terms of main tenancies	Current net annual rent receivable	Market Value as at 30 September 2014
145 Morrison Street, Edinburgh	<p>The property comprises a Grade A office building arranged over ground and four upper floors, providing a total net internal area of 26,277 sq ft with 2 car parking spaces adjacent and an additional 2 spaces nearby on Torphichen Lane. Specification includes full raised access floors, suspended ceilings and comfort cooling throughout.</p> <p>The property is located on the western edge of the prime Exchange Office District in central Edinburgh, 150m west of the Edinburgh International Conference Centre and 200m east of Haymarket train station.</p> <p>Tenure: Heritable; Built: 2012/2013.</p>	<p>The property is vacant but provided with vendor rental, rates and service charge guarantees running for a two year period from 30 September 2014.</p>	£534,540	£6,250,000
St Philips Point, Temple Row, Birmingham	<p>The property comprises a mixed use office and retail scheme.</p> <p>The accommodation extends to a total of 97,469 sq ft over upper ground, lower ground and nine upper floors.</p> <p>The property is located in Birmingham city centre, within the city's central business district between the prime business location of Colmore Row and the prime retail area of New Street and the Bullring.</p> <p>Tenure: Freehold; Built c.1990.</p>	<p>The property is currently multi let producing a current net rent of £1,691,176 per annum and a weighted unexpired term of 3.70 years. The leases are all effective FRI.</p> <p>The current tenants include Weightmans LLP, Baker Tilly Services Limited and AXA Insurance UK Plc.</p> <p>Floors 7, 8 and 9 are currently vacant and undergoing a refurbishment and are subject to a rental guarantee for thirty months.</p>	£1,691,176	£22,350,000
Station Road, Phoenix, Reading	<p>The property comprises a modern office building, providing Grade A accommodation over first to fifth floors totaling a net internal area of 51,776 sq ft. There are 52 car parking spaces situated at ground and basement level.</p> <p>The property is located in central Reading, approximately 200m to the east of Reading Station and 100m to the west of the A329 Caversham Road. The property fronts onto Station Hill and backs onto the railway tracks. The office building known as The Pinnacle adjoins the subject to the west.</p> <p>An electricity substation is situated towards the eastern end of the site.</p> <p>Tenure: Freehold; Built: 1994.</p>	<p>The first floor is let to Samsung Electronics (UK) Limited on a lease expiring in 2023 subject to a break in 2018. The second and third floors are let to Xafinity Consulting Limited on a lease expiring in 2024 subject to a break in 2019. Both leases are subject to rent free periods which are being topped up.</p> <p>The fourth and fifth floors are currently vacant and being marketed. Two year rent, rates and service charge guarantees are in place with a rent guarantee equating to £26.50 per sq ft.</p> <p>A licence for 17 car parking spaces is in place to Samsung Electronics (UK) Limited.</p> <p>The property has a weighted unexpired lease term of 3.35 years to breaks.</p>	£1,357,385	£19,500,000

Address	Description age and tenure	Terms of main tenancies	Current net annual rent receivable	Market Value as at 30 September 2014
Clywd Retail Park, Rhyl	<p>The property comprises a purpose built retail warehouse park providing 5 retail units with an associated garden center, arranged as 2 blocks, with a further detached restaurant unit, providing a total gross internal area of 86,151 sq ft. The property is located to the south of Rhyl, a coastal town in North Wales, adjacent to a Sainsbury's food store, and fronting Rhyl Road (A525).</p> <p>Tenure: Freehold; Built 1995 (Restaurant Unit 2007).</p>	<p>The property is multi let on 6 leases to 6 tenants generally expiring in 2020, with one unit expiry in 2032, subject to a break option in 2022. The leases are drawn on full repairing and insuring terms with 5 yearly upward only rent reviews.</p> <p>The weighted unexpired lease term is 5.60 years (to breaks).</p>	£1,093,735	£15,100,000
Cutler's Gate, Parkway, Sheffield	<p>The property comprises a modern building providing office accommodation on ground and seven upper floors together with 131 external surface car parking spaces and basement accommodation housing the buildings plant. In total, the building extends to 61,645 sq ft.</p> <p>The property is constructed around a structural steel frame with part glazed elevations under a flat roof. The property provides open plan and cellular office accommodation arranged around a central core.</p> <p>Tenure: Freehold; Built: 2009.</p>	<p>The property is let in its entirety to Capita Business Services Ltd for a term expiring January 2025. The lease is drawn on full repairing and insuring terms with 5 yearly upwards only reviews. The current passing rent is £1,047,846 per annum.</p>	£1,047,846	£13,500,000

PART 6

TAXATION

1. Taxation

1.1. 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 advisers 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.

1.2. 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 on the basis that the Company will be UK tax resident as a result of being centrally managed and controlled in the UK. The special rules which apply to the taxation of a company which enters the REIT regime are summarised below.

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 and elsewhere (the "Tax-Exempt Business"), provided that certain conditions are satisfied. Instead, distributions in respect of the Tax-Exempt Business will be treated for UK tax purposes as UK property income in the hands of shareholders (see further below for details on the UK tax treatment of shareholders in a REIT). A dividend paid by the Company relating to profits or gains of the Tax-Exempt Business is referred to in this section as a Property Income Distribution ("PID")

However, UK corporation tax remains payable in the normal way in respect of income and gains from the Company's business (generally including any property trading business) not included in the Tax-Exempt Business (the "Residual Business"). Dividends relating to the Residual Business are treated for UK tax purposes as normal dividends. Any normal dividend paid by the Company is referred to as "Non-PID Dividend".

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 makes distributions to Shareholders in excess of the amount required to satisfy the "distribution condition" for each accounting period (see further 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.

Qualification as a REIT

Subject to meeting a number of conditions, the Company may become a REIT by serving notice on HMRC that it is a REIT from a date specified in that notice. Any property rental business the Company has been to that date carrying on is deemed to cease at the point of entry to the REIT regime and accordingly, the property rental business carried on by the Company subsequently is deemed to be a new business, established and commenced at the date of entry into the REIT regime. At the point of entry into the REIT regime the accounting period of the Company is deemed to end for tax purposes and another accounting period will begin.

In order to qualify as a REIT, the Company must satisfy certain conditions. A non-exhaustive summary of the material conditions is set out below.

(A) Company conditions

A company must be solely resident in the UK for tax purposes, it must not be an open-ended investment company and its ordinary shares must be listed on a recognised stock exchange, such as the London Stock Exchange. A company must also not be a “close company” for UK tax purposes which generally means it must not be controlled (through the holding of in excess of 50 per cent. of share capital/voting rights etc) by five or fewer persons or, broadly, must have more than 35 per cent. of shares listed and in public hands. There is an exception however for this condition for the first three years following entry into the REIT regime. For the purposes of this close company test the holdings of certain types of institutional investors are not taken into account.

(B) Share capital restrictions

There must only be one class of ordinary share in issue and the only other shares a company may issue are non-voting fixed rate preference shares.

(C) Restrictions on types of borrowing

The 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 the company’s business or on the value of any of its assets.

On-going conditions for maintaining REIT status

In addition to satisfying the above conditions on entry into the REIT regime, the Company would be required to satisfy the conditions summarised below on an on-going basis during each accounting period in order to maintain REIT status:

- i) The Tax-Exempt Business must throughout each accounting period involve at least three properties and have no one property representing more than 40 per cent. of the total value of all the properties involved in the business.
- ii) The Tax-Exempt Business is required to distribute to shareholders (subject to the availability of sufficient distributable reserves) at least 90 per cent. of the income profits arising in each accounting period (broadly, calculated using normal tax rules). Such distributions will be in the form of a PID and payable on or before the filing date for the tax return for the accounting period.
- iii) The income profits arising to the Tax-Exempt Business must represent at least 75 per cent. of the total profits for the accounting period. Such profits are calculated in accordance with International Accounting Standards, before deduction of tax and excluding, broadly, gains and losses on the disposal of property and revaluation of properties movements and certain exceptional items.
- iv) At the beginning of the accounting period the gross fair value of the assets in the Tax-Exempt Business (including cash held on deposit) must represent at least 75 per cent. of the total fair value of assets held. However, a breach should not occur in the first

accounting period upon entry into the REIT regime, provided that the test is met at the end of the first accounting period.

Effects of becoming a REIT

(A) Tax exemption

A REIT does not suffer UK corporation tax on the profits (income and capital gains) derived from its Tax-Exempt Business. UK Corporation tax will still apply in the normal way in respect of any income and gains of any Residual Business.

(B) The 10 per cent. rule

A REIT may become subject to an additional tax charge if it pays a distribution to corporate shareholders that hold more than ten per cent. of share capital or voting rights and/or are entitled to more than ten per cent. of distributions. This tax charge will not be incurred if the REIT has taken reasonable steps to avoid making distributions to such a Shareholder in line with HMRC guidance.

(C) Distributions – obligations to withhold tax

Subject to certain exceptions, a REIT is required to withhold income tax at source at the basic rate (currently 20 per cent.) from PIDs. A REIT must also provide shareholders with a certificate setting out the amount of tax withheld. Tax is not required to be deducted when distributions are paid to certain types of shareholder including UK corporate and UK tax-exempt bodies (such as SIPPAs and ISAs). Where distributions are made to shareholders resident in a country with a double taxation treaty with the UK, tax should be withheld and the shareholder may seek a refund of the tax where the treaty withholding tax rate is lower.

(D) Interest cover ratio

A tax charge will arise if, in respect of any accounting period, the ratio of the income profits (before capital allowances) to the financing costs incurred in respect of the Tax-Exempt Business is less than 1.25. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 is chargeable to corporation tax.

Exit from the REIT regime

After joining the REIT regime, a REIT can give notice to HMRC that it wishes to leave the REIT regime at any time.

It is important to note that following satisfaction of the REIT conditions by the Company it will not be able to guarantee continued compliance with all the conditions and the REIT regime may cease to apply in certain circumstances. Broadly, HMRC may require a company to exit the REIT regime if:

- a) any breach of the conditions relating to the Tax-Exempt Business, or an attempt to avoid tax, is considered sufficiently serious;
- b) a certain number of minor or inadvertent breaches of the conditions in a specified period;
or
- c) HMRC has issued two or more notices in relation to the avoidance of tax within a ten year period of the first notice having been given.

1.3. UK tax treatment of Shareholders

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice, each of which is subject to change. They are not advice. This section is divided into two parts. Section A describes the position prior to entry of the Company into the REIT regime and Section B describes the position following entry into the REIT regime. Except where otherwise indicated, Sections A and B apply only to Shareholders who are resident for tax purposes solely in the UK; and only to Shareholders who hold their Ordinary Shares as investments and who are the absolute beneficial owners thereof.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the UK, should consult their own appropriate independent professional adviser.

Section A – The position prior to the Company's entry into the REIT regime

(A) Taxation of dividends

The Company will not be required to withhold tax at source when paying a dividend.

Any dividends received by individual Shareholders resident in the UK for the purposes of taxation will be taxed at either the dividend ordinary rate (currently 10 per cent.), the dividend upper rate (currently 32.5 per cent.) or the dividend additional rate (currently 37.5 per cent.), depending on the individual's total taxable income for the tax year in question.

Individual Shareholders resident in the UK for taxation purposes (other than individuals taxable on the remittance basis of taxation) can obtain a tax credit (equal to one ninth of the cash amount of the dividend paid) attaching to dividends received, resulting in effective tax rates of 0 per cent., 25 per cent. and 30.6 per cent. respectively, depending on the level of taxable income of the Shareholder.

It will not be possible for Shareholders to claim repayment of the tax credit in respect of dividends.

UK resident corporate Shareholders (other than dealers and certain insurance companies) are not liable to corporation tax or income tax in respect of UK dividends provided that the dividends are exempt under Part 9A of the Corporation Tax Act 2009. Such Shareholders will not be able to claim repayment of tax credits attaching to dividends.

(B) Taxation of disposals

Any gain on disposal (by sale, transfer or redemption) of Ordinary Shares by Shareholders resident in the UK for taxation purposes should be subject to capital gains tax in the case of an individual Shareholder, or UK corporation tax on chargeable gains in the case of a corporate Shareholder. Individuals may have gains reduced by annual exemptions (£11,000 for 2014-2015) or allowable losses, whereas companies subject to UK corporation tax may have their gains reduced by indexation allowance but this allowance will not create or increase an allowable loss.

The rate of UK capital gains tax will usually be 18 per cent. for individual Shareholders who are chargeable to UK income tax at the basic rate and will usually be 28 per cent. for individual Shareholders taxable at rates other than the basic rate.

A Shareholder who is an individual resident in the UK and who is not domiciled in the UK who makes gains on the disposal of Ordinary Shares where the proceeds are not remitted to the UK may benefit from the remittance basis of UK taxation. Such individuals should consult their own tax advisers concerning their UK tax liability.

(C) UK stamp duty and stamp duty reserve tax ("SDRT")

The following comments are intended as a guide to the current general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. No UK stamp duty or SDRT will be payable on the issue of the Ordinary Shares. UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of Ordinary Shares executed within, or in certain cases brought into, the UK. Provided that the Ordinary Shares are not registered in any register of the Company kept in the UK, any agreement to transfer Ordinary Shares should not be subject to UK stamp duty or SDRT.

Section B – The position following the Company's entry into the REIT regime

The following paragraphs relate only to certain limited aspects of the UK taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Ordinary Shares in the

Company, in each case after the Company achieves and maintains REIT status. They apply only to Shareholders who are the absolute beneficial owners of both their PIDs and their Ordinary Shares in the Company.

The following paragraphs do not comment on how the tax position of any person who is a Shareholder who holds excessive rights in the Company, which in accordance with Chapter 6 Part 12 Corporation Tax Act 2009 is generally a Shareholder with at least a 10 per cent. interest in the Ordinary Shares and distributions thereon.

(A) UK taxation of Non-PID Dividends

Non-PID Dividends paid by the Company will be taxed in the same way as dividends paid by the Company prior to entry into the REIT regime (as outlined above), whether in the hands of individual or corporate Shareholders and regardless of whether the Shareholder is resident for tax purposes in the UK.

(B) UK taxation of PIDs

(a) UK taxation of individual Shareholders

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 section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other REIT company, treated as a separate UK property business from any other UK property business (a “different UK property business”) carried on by the relevant Shareholder. 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. No dividend tax credit will be available in respect of PIDs. However, the basic rate of income tax (currently 20 per cent.) will be withheld by the Company (where required) on the PID. Please see below for further detail regarding withholding tax.

(b) UK taxation of corporate Shareholders

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to UK corporation tax as profits of a property business (as defined in Part 4 of the Corporation Tax Act 2009 (“Part 4 property business”). A PID is, together with any property income distribution from any other company to which Part 4 of the Corporation Tax Act 2009 applies, treated as a separate Part 4 property business from any other Part 4 property business (a “different Part 4 property business”) carried on by the relevant Shareholder. 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 Part 4 property business profits.

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

Where a Shareholder who is resident for tax purposes outside 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 by the Company.

(d) Withholding tax

(i) 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. 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.

(ii) Shareholders resident in the UK

Where tax has been withheld at source by the Company, Shareholders who are individuals may, depending on their particular circumstances, either be liable to further UK income tax on their PID

at their applicable marginal income tax rate, incur no further UK tax liability on their PID, or be entitled to claim repayment of some or all of the UK income tax withheld on their PID.

Corporate Shareholders who are resident for tax purposes in the UK will generally be liable to pay UK corporation tax on their PID and if (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to UK corporation tax or against any income tax which they themselves are required to withhold in the accounting period in which the PID is received.

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

It is not possible for a Shareholder to make a claim under a relevant double taxation treaty for a PID to be paid by the Company gross or subject to withholding at a reduced tax rate. The right of a Shareholder to claim the repayment of any part of the UK income 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 for tax purposes.

(iv) Exceptions to requirement to withhold income tax

In certain circumstances the Company is not obliged to withhold UK 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 charity or a company resident for tax purposes outside the UK with a permanent establishment in the UK which is required to bring the PID into account in computing its chargeable profits. In addition, the exceptions also apply 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 (ISA), the plan manager of a Personal Equity Plan (PEP), 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 fund, scheme, account or plan.

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.

(C) UK taxation of chargeable gains in respect of Ordinary Shares in the Company

The following comments apply to both individual and corporate Shareholders, regardless of whether or not such Shareholders are resident for tax purposes in the UK.

Chargeable gains arising on the disposal of Ordinary Shares in the Company following entry into the REIT regime should be taxed in the same way as chargeable gains arising on the disposal of shares in the Company prior to entry into the REIT regime. This tax treatment is outlined further above.

The entry of the Company into the REIT regime will not constitute a disposal of Ordinary Shares in the Company by Shareholders for UK chargeable gains purposes.

(D) UK stamp duty and UK stamp duty reserve tax ("SDRT")

The following comments are intended as a guide to the current general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. No UK stamp duty or SDRT will be payable on the issue of the Ordinary Shares. UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of Ordinary Shares executed within, or in certain cases brought into, the UK. Provided that the Ordinary Shares are not registered in any register of the Company kept in the UK, any agreement to transfer Ordinary Shares should not be subject to UK stamp duty or SDRT.

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

2014/15 tax year NISAs will have a subscription limit of £15,000 (from 1 July 2014), 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 adviser.

PART 7

ADDITIONAL INFORMATION ON THE COMPANY

1. General

- 1.1. The Company was incorporated and registered in England and Wales on 17 June 2014 and is a public company limited by shares, with registered number 9090446. The Company operates under the Act (and the regulations from time to time made thereunder). Its registered office is at Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is at 39 George Street, Edinburgh EH2 2HN (telephone number: +44(0)131 225 5599). The Company is tax resident in the UK. 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 Subsidiary is a private limited company and was incorporated and registered in England and Wales with the registered number 09106328 on 27 June 2014. The Subsidiary operates under the Act (and the regulations from time to time made thereunder). Its registered office is at Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is at 39 George Street, Edinburgh EH2 2HN (telephone number: +44(0)131 225 5599). Save for its compliance with the Act (and the regulations from time to time made thereunder), the Subsidiary is not an authorised or regulated entity. The Subsidiary is a wholly owned subsidiary of the Company and the Company intends to fund the Subsidiary by equity and shareholder loans. The directors of the Subsidiary are Ratan Engineer, Robin Archibald, Robert Dick and William Hill. The articles of association of the Subsidiary provide the Company, as its sole shareholder, with full control over the Subsidiary including the right to remove the board of directors of the Subsidiary. Since its incorporation the Subsidiary, other than entering into the Acquisition Agreements, the Management Agreement and Investment Adviser Agreement, has not carried on business or incurred borrowings and no accounts of the Subsidiary have been made up.
- 1.3. The Manager is a private limited company and was incorporated in Jersey under the Companies (Jersey) Law, 1991 on 21 March 2007 with the registered number 42576. The Manager 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 Manager is authorised and regulated by the Jersey Financial Services Commission.
- 1.4. The Investment Adviser is a private limited company and was incorporated and registered in England and Wales with the registered number 04910369 on 24 September 2003. The Investment Adviser operates under the Act (and the regulations from time to time made thereunder). Its registered office is at Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is 39 George Street, Edinburgh EH2 2HN (telephone number: +44(0)131 225 5599). The Investment Adviser is not an authorised or regulated entity, and accordingly is not subject to the same level of regulatory supervision as the Manager.
- 1.5. The Administrator is a private limited company and was incorporated in England and Wales under the Act with the registered number 07777299 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 place of business is situated at 15-19 York Place, Edinburgh EH1 3EB (telephone number: +44(0)131 524 6140).
- 1.6. The Valuer is a limited liability partnership and was incorporated in England and Wales under the Limited Liability Partnership Act 2000 with the registered number OC305934 on 3 November 2003. The Valuer operates under the Limited Liability Partnership Act 2000 and the Act (as it applies to limited liability partnerships). Its registered office and principal place of business is at 55 Baker Street, London W1U 8AN (telephone number: +44(0)207 629 8171).

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 1p 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 150 million Ordinary Shares are issued pursuant to the Issue) is and will be as follows:

	<i>Number of Shares</i>
As at the date of this document	
Ordinary Shares	50,000
Immediately following Admission	
Ordinary Shares	150,000,000

- 2.3. As at 14 October 2014 (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 Placing and Offer for Subscription) has agreed to be issued, is not proposed to be issued, for cash or any other consideration and no commissions (save pursuant to the Placing Agreement which is summarised in paragraph 8.1 of this Part 7), 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 Issue will be issued pursuant to a resolution of the Board on 27 October 2014 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 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 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

- 3.1. By a special resolution passed at a general meeting of the Company held on 15 October 2014, it was resolved:
- 3.1.1 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 £1.5 million in connection with the Issue, such authority to expire on 28 November 2014 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;

- 3.1.2 the Directors were generally empowered (pursuant to section 570 of the Act) to allot Shares pursuant to the authority referred to in paragraph 3.1.1 above as if section 561 of the Act did not apply to any such allotment, such power to expire on 28 November 2014 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;
- 3.1.3 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 £150,000 or, if less, ten per cent. of the aggregate nominal value of the issued Share capital of the Company immediately following the completion of the Issue, such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and 18 months after the resolutions granting such authority was passed, 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;
- 3.1.4 the Directors were generally empowered (pursuant to sections 570 and 573 of the Act) to allot Shares and to sell Shares from treasury for cash pursuant to the authority referred to in paragraph 3.1.3 above as if section 561 of the Act did not apply to any such allotment, such power will expire on the earlier of the conclusion of the first annual general meeting of the Company and 18 months after the resolutions granting such authority was passed, 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;
- 3.1.5 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 Issue. The minimum price which may be paid for a Share is one pence. The maximum price which may be paid for a Share must not be more than the higher of (i) five 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 earlier of the conclusion of the first annual general meeting of the Company and 18 months after the resolutions granting such authority were passed 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
- 3.1.6 that, 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 Management Agreement (described in paragraphs 6.6 and 8.2 of this Part 7 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 17 June 2014.

5. Summary of the Articles

The Articles were adopted on 11 July 2014 by way of a special resolution 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 18 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 trusts 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 of 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 or to trading on AIM, 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 fifteen minutes 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 a day seven clear days after the original meeting (or, if that day is not a business day, to the next business day) and the same time and place, as the original meeting, or to such later business day, and at such other time and place, as the original meeting and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

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 member, 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.

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 withdraw 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 but there shall be no maximum number

of Directors. 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 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 one 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 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 REIT Status

(a) Cardinal Principle

The Articles provide that it is a cardinal principle that, for so long as the Company qualifies as a REIT or is the principal company of a group UK real estate investment trust (a "Group REIT") for the purposes of Part 12 of the CTA 2010, the Company or no member of the Group REIT should not be liable to pay tax under section 551 of the CTA 2010 on or in connection with a Distribution.

(b) Notification of Substantial Shareholder and other Status

Every member and any other relevant person who is or becomes a Substantial Shareholder or a Relevant Registered Shareholder must notify the Company on becoming a Substantial Shareholder.

The Directors may, by serving written notice, require a person to provide the Company with such information as they require to assess whether that person is a Substantial Shareholder or a Relevant Registered Shareholder or in order to comply with any reporting obligation within a set period as specified by the Board in the written notice.

(c) Distributions in respect of Substantial Shareholdings

The Directors may withhold payment of a Distribution on or in respect of any shares in the Company on the condition that:

- (i) they believe that such shares are shares by virtue of which (in whole or in part) the member is a Substantial Shareholder; and

- (ii) they are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid.

A Distribution so withheld may subsequently be paid on the following basis:

- (i) if the Directors are satisfied that the conditions for withholding payment summarised in the above paragraph are not satisfied then the whole amount of the Distribution withheld shall be paid; and
- (ii) if the Directors are satisfied that sufficient interests in all or some of the shares concerned have been transferred to a third party so that such transferred shares no longer form part of a Substantial Shareholding then the Distribution attributable to such shares shall be paid (provided the Directors are satisfied that following such transfer such shares concerned do not form part of a Substantial Shareholding); and
- (iii) if the Directors are satisfied that as a result of a transfer of interests in shares referred to in paragraph (ii) above the remaining shares no longer form part of a Substantial Shareholding the Distribution attributable to such shares shall be paid.

In addition the Directors may also withhold payment of a Distribution if any person fails to satisfactorily comply with a notice given by the Directors as referred to in paragraph (b) within the period specified in the notice. Such a Distribution so withheld may be paid upon the relevant person satisfactorily complying with the notice.

A Substantial Shareholder may satisfy the Directors that he is not beneficially entitled to a Distribution by means of a certification procedure.

(d) *Excess Charge*

If a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable then the Substantial Shareholder shall pay the amount of any such Excess and all costs and expenses Charge incurred by the Company in connection with the recovery of such amount.

(e) *Distribution Trust*

Any Distribution paid on or in respect of a Substantial Shareholding (except where the Substantial Shareholder is not entitled to the Distribution) and any income arising from it shall be held by the person to whom the Distribution is made or by another recipient of the Distribution is in trust for the persons nominated by the relevant Substantial Shareholder in accordance with the Articles, or if no such nominations is made within 12 years after the date the Distribution is made, for the Company or such persons or charity as may be nominated by the Directors from time to time.

(f) *Obligation to Dispose*

If the Directors believe that:

- (i) in respect of any Distribution declared or announced, the condition set out in paragraph (c) is satisfied in respect of any shares in the Company in relation of that Distribution;
- (ii) a notice given by the Directors pursuant to paragraph (b) in relation to any shares in the Company has not been complied with to the satisfaction of the Directors within the period specified in such notice; or
- (iii) any information, certificate or declaration provided by a person in relation to any shares in the Company was materially inaccurate or misleading

then the Directors may by notice in writing require any person they believe to be holding all or part of a Substantial Shareholding to dispose, within 21 days of the date of service of the notice from the Directors, of such number of shares and to take such other steps as

will cause the condition set out in paragraph (c) to be satisfied by notice in writing (a "Disposal Notice")

Any sale made as a result of a Disposal Notice shall be at the price which the Directors consider to be the best price reasonably obtainable. The net proceeds of the sale (less any amount to be retained pursuant to paragraph (d) above and at the expense of sale) shall be paid to the former holder or holders of the relevant share. Further provisions allow for the Directors to arrange for shares to be sold if the Disposal Notice is not complied with or in circumstances where an Excess Charge (as mentioned in paragraph (d) above) become payable.

(g) *General*

The Directors are not required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular person) and any such determination or decision is to be final and binding on all persons unless and until it is revoked or changed by the Directors. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to the Articles in connection with the Company's REIT Status shall be binding on all persons and shall not be open to challenge on any ground whatsoever.

The Directors may from time to time require any person who is or claims to be a person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such information, certificates or declarations as they may require to establish whether such person is so entitled.

6. Directors' 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 2015 will not exceed £150,000.
- 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 Ratan Engineer, Robin Archibald, Robert Dick and William Hill has entered into a letter of appointment with the Company dated 27 June 2014. The current period of service for each Director expires at the first annual general meeting of the Company to be held in 2015, 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 £40,000 per annum to Ratan Engineer, the Chairman, £35,000 per annum to Robert Dick, the Chairman of the Audit Committee and £30,000 per annum to each of Robin Archibald and William Hill. 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 Issue.
- 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 Issue for the following number of Ordinary Shares:

	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares following Admission⁽¹⁾</i>
Ratan Engineer	30,000	0.020%
Robin Archibald	15,000	0.010%
Robert Dick	10,000	0.007%
William Hill	15,000	0.010%

Note:

- (1) The percentages shown above are calculated on the assumption that 150 million Ordinary Shares are issued pursuant to the Issue.

- 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>
Ratan Engineer	Blackstone Alternative Investment Funds plc North East London NHS Foundation Trust	Ernst & Young LLP Ernst & Young Europe LLP
Robin Archibald	Albion Technology & General VCT plc	Albion Income & Growth VCT plc
Robert Dick	—	Richmond Homes (Scotland) Ltd Scottish Love In Action
William Hill	Chartered Surveyors Training Trust Mayfair Capital Investment Management Limited William Hill Consulting Ltd	Bracknell General Partner Limited Cardington Hangar Limited CDC Craig Limited Columbus UK Founder (Scotland) GP Limited Columbus UK Founder GP Limited Columbus UK GP Limited Columbus US Feeder (Scotland) GP Limited

	<i>Current directorships/ partnerships</i>	<i>Previous directorships/ partnerships</i>
William Hill (continued)		Columbus US Feeder GP Limited Croydon Limited Croydon-Gateway Development Company Limited Croyden Gateway GP Limited Croyden Gateway Investments Limited Ediston International Holdings Limited Ediston Properties Limited Gresham (GP) Limited Gresham II (Peterborough) Limited Gresham II (Stockley Park) Limited Gresham II (Thames Quay) Limited Gresham II Founder GP Limited Gresham II GP Limited Motherwell (GP) Limited Real Neunzehnte Verwaltungsgesellschaft mbH Schroder EuroLogistik Fonds GmbH & Co. KG Schroder Italien fonds Verwaltungs GmbH Schroder Property Investment Management (France) Sarl Schroder Property Investment Management (Italy) Srl Schroder Property Investment Management (Luxembourg) Sarl Schroder Property Investment Management GmbH Schroder Investment Management Limited Schroder Property Kapitalanlagegesellschaft mbH Schroder Property Managers (Jersey) Limited Schroder Property Services B.V. Schrodgers Corporate Secretary Limited SPrIM Holdings GmbH The New Bracknell Company Limited

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) save as disclosed in paragraph 6.13 below, 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. Robin Archibald was a director of Albion Income and Growth VCT plc at the time the company was placed into members' voluntary liquidation pursuant to a special resolution passed by the Company's shareholders on 15 November 2013.
- 6.14. 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 Manager and any other company in the same group of companies as the Manager.

7. Substantial Share interests

- 7.1 As at 14 October 2014 (being the latest practicable date prior to the publication of this document) the Company is not aware of any persons who, following Admission, will be directly or indirectly interested in three per cent. or more of the Company's issued share capital.
- 7.2 As at the close of business on 14 October 2014 (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. A placing agreement dated 16 October 2014 between the Company, the Placing Agent, the Investment Adviser and the Manager whereby the Placing Agent conditionally agrees to use its reasonable endeavours to procure placees in the Placing. In consideration for its services the Placing Agent will be paid a commission of an amount equal to 1.0 per cent. of the first £75 million of the gross proceeds of the Issue and 1.5 per cent. of all gross proceeds of the Issue in excess thereof.

The Placing Agreement is conditional on, *inter alia*, Admission. The Placing Agreement contains certain warranties and indemnities given by the Company and the Manager in favour of the Placing Agent. The Placing Agreement may be terminated in certain circumstances prior to Admission including by reason of *force majeure*.

- 8.2. The Company, the Subsidiary and the Manager have entered into a management agreement dated 16 October 2014 pursuant to which the Manager is appointed to act as the Company's AIFM.

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

The Manager has entered into the Investment Adviser Agreement with Ediston. Pursuant to the terms of the Investment Adviser Agreement, the Manager has delegated responsibility for sourcing acquisitions, identifying disposal opportunities and portfolio management services relating to the Group to Ediston, although the Manager's liability to the Company for all matters so delegated has not been affected thereby. The Manager has, and shall maintain, the necessary expertise and resources to supervise effectively those tasks delegated to the Investment Adviser.

Under the terms of the Management Agreement, the Manager is also responsible for obtaining and maintaining from the FCA or the Jersey Financial Services Commission all approvals necessary for the Manager 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 Group 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.

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

The Management Agreement may be terminated immediately if, among others, the Manager is guilty of negligence, wilful default or fraud, is the subject of insolvency proceedings or there occurs a change of Key Manager under the Investment Adviser Agreement to which the Board has not given its prior consent. The Management Agreement may also be terminated immediately if Ediston is directly appointed as AIFM of the Company. The Management Agreement may be terminated by any party giving to the others not less than twelve months' written notice, which can be served at any time after the second anniversary of Admission. The Management Agreement further provides that the Company will pay to the Manager a fixed fee of £15,000 per annum plus an annual portfolio management fee of 0.95 per cent. per annum of the net assets of the Company provided that this fee shall be 0.75 per cent. per annum of the net assets of the Company that are above £250 million. The Manager has agreed that the portfolio management fee will be paid to the Investment Adviser.

- 8.3. The Company, the Subsidiary, the Manager and the Investment Adviser have entered into an investment adviser agreement dated 16 October 2014 pursuant to which the Manager has delegated portfolio management services relating to the Company to the Investment Adviser on the same terms as the Management Agreement. The Manager has the power to instruct the Investment Adviser and terminate the Investment Adviser Agreement with immediate effect when this is in the interests of investors.

In its capacity as investment adviser, the Investment Adviser 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 Manager has agreed that its portfolio management fee described above in paragraph 8.2 will be paid to the Investment Adviser. During the refurbishment or development of properties it is customary to appoint a specialist third party adviser to manage such projects and pay to them project management fees in respect of such work. The Board may agree to appoint the Investment Adviser as a project manager if it considers it to be in the best interests of the Company to do so. For such work the Investment Adviser 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 Investment Adviser would not be entitled to retain such commissions.

- 8.4. The Company is a party to an administration and secretarial agreement with R&H Fund Services Limited dated 16 October 2014 pursuant to which the Administrator provides day-to-day

administration of the Company and acts as secretary and administrator to the Company including 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 Investment Adviser.

A fixed fee of £80,000 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 £95,000 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 16 October 2014 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 16 October 2014 with Ediston pursuant to which the parties agreed to regulate their liability for the launch costs incurred in relation to the Issue. Under this agreement the Issue Costs which are payable by the Company are capped at two per cent. of the gross proceeds of the Issue. Ediston has agreed to pay all the costs and expenses of the Issue which exceed this amount and any abort costs incurred in the event that the Issue does not proceed.
- 8.7. The Company is also a party to the conditional legally binding agreements with the Vendors dated 15 October 2014 under which the Group has agreed to acquire the properties comprised in the Initial Property Portfolio. Further details of these conditional agreements are set out in section B of Part 4 of this document.

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 Manager (at the time of such breach) through an announcement via a Regulatory Information Service.

10. Financial information

- 10.1. Grant Thornton UK LLP of Grant Thornton House, Melton Street, Euston Square, London NW1 2EP 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 £s sterling according to IFRS.
- 10.2. The Company's accounting period will terminate on 30 September of each year, with the first period ending on 30 September 2015.
- 10.3. The Company has not commenced operations since its incorporation on 17 June 2014 and no financial statements of the Company have been made as at the date of this document.
- 10.4. The Company is of the opinion, taking into account the Minimum Net Proceeds, that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.
- 10.5. As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.
- 10.6. There has been no significant change in the trading or financial position of the Group since its incorporation.
- 10.7. Immediately following Admission, the Company's gross assets will increase by an amount equal to the gross proceeds of the Issue, being a minimum of £85 million, less an amount representing the Issue Costs borne by the Company. It is not possible to quantify the effect of the Issue 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 Group or the Group's financial position or profitability.
- 11.2. The Company does not have any employees, nor does it own any premises.
- 11.3. Canaccord Genuity Limited 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.
- 11.4. The Investment Adviser 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 Investment Adviser 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 Investment Adviser (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 14 October 2014 (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 three per cent. and each one per cent. threshold thereafter; or
- 13.2. reaches, exceeds or falls below an applicable threshold in paragraph 13.1 of this Part 7 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 Issue 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 28 October 2014:

- (i) the Company’s memorandum of association and Articles;
- (ii) the letters of appointment referred to in paragraph 6.2 of this Part 7;
- (iii) the written consents referred to in paragraphs 11.3 and 11.4 of this Part 7; 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 and the offices of the Placing Agent. 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 FOR SUBSCRIPTION

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 Investment Adviser, the Placing Agent 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 Issue 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 28 November 2014 (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 (by cheque or banker's draft or such other method of payment as may be agreed with the Company) the Issue 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 two 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 28 October 2014 (or such later date, not being later than 28 November 2014, as the Company and the Placing Agent 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 Canaccord Genuity Limited is acting for the Company in connection with the Issue and for no-one else and Canaccord Genuity Limited 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 Issue.
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 advisers in connection with and for the purposes of the Issue 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 Issue 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 advisers 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, 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 24 October 2014. 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 identify 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 £12,000 (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 16 October 2014.

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 24 October 2014. *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. Personal 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 Box 2.

3. Signature

The applicant named in Box 2 must date and sign Box 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. Cheque/Banker's Draft Details

Attach a cheque or banker's draft for the exact amount shown in Box 1 to your completed Application Form. Your cheque or banker's draft must be made payable to "Ediston Property Investment Company 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 "Ediston Property Investment Company 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 endorsing the cheque/bankers' draft to such effect.

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

Applications with a value of £12,000 (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 adviser 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 24 October 2014, your application may not be accepted.

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

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 Box 5.

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. Boxes 2 and 3 must be completed by one applicant. All other persons who wish to join in the application must complete and sign Box 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 Box 2.

7. Verification of Identity

Section 7 of the Application Form applies if the aggregate value of the Ordinary Shares and any Subscription Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its equivalent, being approximately £12,000) 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 Adviser 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 adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser acting on behalf of a client.

7.2 Reliable Introducer

If you are not a professional adviser or intermediary and the value of your application(s) exceed(s) €15,000 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 advisers 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 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 payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser 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, 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 24 October 2014, 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.

7. Verification of Identity (If the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its equivalent, being approximately £12,000) 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 must ensure that section 7.1, 7.2 or 7.3 (as appropriate) is completed)

7.1 Professional Advisers and Intermediaries (This section 7.1 should be completed if an application for Ordinary Shares is being made on behalf of a client by a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser)

<i>(Name of professional adviser or intermediary, in full)</i>	
<i>(Address, in full)</i>	
	<i>(Post code)</i>
<i>(Contact name)</i>	<i>(Telephone number)</i>

Declaration by the professional adviser or intermediary

To: Ediston Property Investment Company plc, Computershare Investor Services PLC, Dickson Minto W.S. and Canaccord Genuity Limited

We are a financial adviser 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).

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

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.

<i>(Date)</i>	2014	<i>(Official stamp, if any)</i>
<i>(Signature)</i>		
<i>(Full name)</i>		
<i>(Title/position)</i>		

7.2 Reliable Introducer (If you are not a professional adviser 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: Ediston Property Investment Company plc, Computershare Investor Services PLC, Dickson Minto W.S. and Canaccord Genuity Limited

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)	2014	(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 £12,000) 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).				