

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 and Listing Rules of the Financial Conduct Authority made under section 73A of the Financial Services and Markets Act 2000. This document has been approved by the Financial Conduct Authority in accordance with section 85 of the Financial Services and Markets Act 2000 and has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules. This document will be made available to the public in accordance with the Prospectus Rules by being made available at www.ediston-REIT.com.

The Directors of the Company, whose names appear on page 29 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

(Incorporated and registered in England and Wales with registered number 09090446)

(Registered as an investment company under section 833 of the Companies Act 2006)

Issue of up to 150 million New Shares in relation to the acquisition of the New Portfolio and up to 60 million New Shares pursuant to a subsequent Placing Programme

Placing Agent
Canaccord Genuity Limited

Intermediaries Offer Adviser
Scott Harris UK Limited

Sponsor
Dickson Minto W.S.

Applications will be made to the UK Listing Authority for the New Shares to be admitted to the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the London Stock Exchange's Main Market. It is expected that Initial Admission will become effective and that dealings in the New Shares issued pursuant to the Share Issue and the Vendor Issue will commence on 8 December 2017. It is expected that subsequent Placing Programme Admissions will become effective and that dealings in the New Shares issued pursuant to the Placing Programme will commence between 11 December 2017 and 19 November 2018.

Neither the Share Issue nor any Placing Programme Issue is 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, New Zealand or the Republic of South Africa 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, New Zealand or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa 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. In particular the New 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, Japan, New Zealand or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the New Shares may not be offered, sold or delivered directly or indirectly in or into the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa. 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.

The Placing Agent and the Sponsor, each of which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting exclusively for the Company and for no-one else in relation to the Share Issue, the Placing Programme and the Acquisition and will not regard any other person as their respective client. Apart from the respective responsibilities and liabilities, if any, which may be imposed on the Placing Agent and the Sponsor by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, the Placing Agent and the Sponsor will not be responsible to anyone other than the Company for providing the protections afforded to the respective clients of the Placing Agent or the Sponsor or for advising any other person in relation to the Share Issue, the Placing Programme, the Acquisition or any transaction contemplated in or by this Prospectus.

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 Share Issue, the Placing Programme or the Acquisition 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 15 to 22 of this document.

CONTENTS

	<i>Page</i>
SUMMARY	3
RISK FACTORS	15
IMPORTANT INFORMATION	23
EXPECTED TIMETABLE	27
ISSUE STATISTICS	28
DIRECTORS, MANAGER AND ADVISERS	29
DEFINITIONS	30
PART 1 THE COMPANY	39
PART 2 INVESTMENT POLICY AND INVESTMENT STRATEGY	46
PART 3 DIRECTORS, MANAGEMENT AND ADMINISTRATION	49
PART 4 THE SHARE ISSUE AND THE VENDOR ISSUE	56
PART 5 THE PLACING PROGRAMME	65
PART 6 DETAILS OF THE EXISTING PORTFOLIO AND THE COMBINED PORTFOLIO	68
PART 7 VALUATION REPORT IN RELATION TO THE EXISTING PORTFOLIO AND THE NEW PORTFOLIO	79
PART 8 FINANCIAL INFORMATION ON THE GROUP	94
PART 9 UNAUDITED PRO FORMA FINANCIAL INFORMATION	98
PART 10 TAXATION	103
PART 11 GENERAL INFORMATION	109
PART 12 TERMS AND CONDITIONS OF THE INITIAL PLACING AND THE PLACING PROGRAMME	131
PART 13 TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION	140
PART 14 TERMS AND CONDITIONS OF THE OPEN OFFER	147
ANNEX AGGREGATED RESTATED FINANCIAL INFORMATION ON THE SPVS	172
NOTES ON HOW TO COMPLETE THE OFFER FOR SUBSCRIPTION APPLICATION FORM	189
OFFER FOR SUBSCRIPTION APPLICATION FORM	193

SUMMARY

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

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

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

Section A – Introduction and warnings

Element	Disclosure
A.1	<p><i>Warning</i></p> <p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the New Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who are responsible for this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide when read together with other parts of this Prospectus key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	<p><i>Financial Intermediaries</i></p> <p>The Company consents to the use of this document by Intermediaries in connection with the subsequent resale or final placement of securities by Intermediaries. The offer period within which any subsequent resale or final placement of securities by Intermediaries can be made, and for which consent is given to Intermediaries to use this document, commences on 22 November 2017 and closes at 11.00 a.m. on 6 December 2017 unless closed prior to that time and/or date.</p> <p>Information on the terms and conditions of any resale or final placement of securities by any Intermediary is to be provided by the relevant Intermediary at the time the offer is introduced to an investor. Any applications made by investors to any Intermediary to acquire securities will be subject to the terms and conditions of resale or final placement of the relevant Intermediary. Any Intermediary using this document must state on its website that it is using this document in accordance with the consent set out in the paragraph above.</p>

Section B – Issuer

Element	Disclosure
B.1	<p><i>Legal and commercial name</i></p> <p>Ediston Property Investment Company PLC (the “Company”).</p>
B.2	<p><i>Domicile and legal form</i></p> <p>The Company was incorporated and registered in England and Wales under the Companies Act on 17 June 2014 as a public company limited by shares, with registration number 9090446 and is a closed-ended investment company.</p>
B.5	<p><i>Group description</i></p> <p>The Company is the ultimate holding company of the Group. The Existing Property Subsidiary currently holds all of the Company’s assets. It is intended that the New Property</p>

	Subsidiary will hold the New Portfolio. The Company will continue to invest either directly or indirectly in UK real estate assets and may, without limit, incorporate further 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.																																																		
B.6	<p>Major shareholders</p> <p>As at 17 November 2017, the Company was aware of the following interests in three per cent. or more of the issued share capital of the Company:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><i>No. of Shares</i></th> <th style="text-align: right;"><i>Percentage of issued share capital</i></th> </tr> </thead> <tbody> <tr> <td>Investec Wealth & Investment Limited</td> <td style="text-align: right;">23,299,131</td> <td style="text-align: right;">17.8</td> </tr> <tr> <td>Old Mutual plc</td> <td style="text-align: right;">21,738,311</td> <td style="text-align: right;">16.6</td> </tr> <tr> <td>Henderson Global Investors</td> <td style="text-align: right;">15,000,000</td> <td style="text-align: right;">11.5</td> </tr> <tr> <td>Momentum Global Investment Management</td> <td style="text-align: right;">9,206,388</td> <td style="text-align: right;">7.0</td> </tr> <tr> <td>Architas Multi-Manager Limited</td> <td style="text-align: right;">9,000,000</td> <td style="text-align: right;">6.9</td> </tr> <tr> <td>AXA Investment Managers S.A.</td> <td style="text-align: right;">8,000,000</td> <td style="text-align: right;">6.1</td> </tr> <tr> <td>Close Asset Management Limited</td> <td style="text-align: right;">6,905,044</td> <td style="text-align: right;">5.3</td> </tr> <tr> <td>Quilter Cheviot Limited</td> <td style="text-align: right;">6,500,000</td> <td style="text-align: right;">5.0</td> </tr> <tr> <td>Baillie Gifford & Co</td> <td style="text-align: right;">6,230,000</td> <td style="text-align: right;">4.8</td> </tr> </tbody> </table> <p>There are no different voting rights for any Shareholder. As at 17 November 2017 there were no individual or corporate shareholders which were beneficially entitled to 10 per cent. or more of the share capital or of the distributions paid by the Company or which controlled 10 per cent. or more of the voting power in the Company. The Directors are not aware of any person or persons who could, directly or indirectly, jointly or severally, exercise control over the Company, save that, in the event that the Acquisition completes, two of the Vendors will own, in aggregate, approximately 16.59 per cent. of the issued share capital of the Company if the Minimum Issue Proceeds are raised and 11.62 per cent. if all the New Shares available under the Share Issue and the Vendor Issue are issued.</p>				<i>No. of Shares</i>	<i>Percentage of issued share capital</i>	Investec Wealth & Investment Limited	23,299,131	17.8	Old Mutual plc	21,738,311	16.6	Henderson Global Investors	15,000,000	11.5	Momentum Global Investment Management	9,206,388	7.0	Architas Multi-Manager Limited	9,000,000	6.9	AXA Investment Managers S.A.	8,000,000	6.1	Close Asset Management Limited	6,905,044	5.3	Quilter Cheviot Limited	6,500,000	5.0	Baillie Gifford & Co	6,230,000	4.8																		
	<i>No. of Shares</i>	<i>Percentage of issued share capital</i>																																																	
Investec Wealth & Investment Limited	23,299,131	17.8																																																	
Old Mutual plc	21,738,311	16.6																																																	
Henderson Global Investors	15,000,000	11.5																																																	
Momentum Global Investment Management	9,206,388	7.0																																																	
Architas Multi-Manager Limited	9,000,000	6.9																																																	
AXA Investment Managers S.A.	8,000,000	6.1																																																	
Close Asset Management Limited	6,905,044	5.3																																																	
Quilter Cheviot Limited	6,500,000	5.0																																																	
Baillie Gifford & Co	6,230,000	4.8																																																	
B.7	<p>Key financial information</p> <p>Selected audited historical financial information relating to the Company which summarises the financial condition of the Group for the financial period ended 30 September 2014 and the two years ended 30 September 2016 is set out in the following table:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><i>Period ended 30 September 2014</i></th> <th style="text-align: right;"><i>Year ended 30 September 2015</i></th> <th style="text-align: right;"><i>Year ended 30 September 2016</i></th> </tr> </thead> <tbody> <tr> <td colspan="4">Net asset value</td> </tr> <tr> <td>Net assets (£'000)</td> <td style="text-align: right;">50</td> <td style="text-align: right;">136,586</td> <td style="text-align: right;">137,331</td> </tr> <tr> <td>Equity shareholders' funds (£'000)</td> <td style="text-align: right;">50</td> <td style="text-align: right;">136,586</td> <td style="text-align: right;">137,331</td> </tr> <tr> <td>Net asset value per Ordinary Share (p)</td> <td style="text-align: right;">100.00</td> <td style="text-align: right;">106.49</td> <td style="text-align: right;">107.07</td> </tr> <tr> <td colspan="4">Consolidated Statement of Comprehensive Income</td> </tr> <tr> <td>Rental income (£'000)</td> <td style="text-align: right;">—</td> <td style="text-align: right;">5,901</td> <td style="text-align: right;">11,323</td> </tr> <tr> <td>Profit for the period (£'000)</td> <td style="text-align: right;">—</td> <td style="text-align: right;">12,893</td> <td style="text-align: right;">7,799</td> </tr> <tr> <td>Basic earnings per Ordinary Share (p)</td> <td style="text-align: right;">—</td> <td style="text-align: right;">13.43</td> <td style="text-align: right;">6.08</td> </tr> <tr> <td colspan="4">NAV/share price returns</td> </tr> <tr> <td>Net asset value total return</td> <td style="text-align: right;">—%</td> <td style="text-align: right;">13.7%</td> <td style="text-align: right;">6.1%</td> </tr> <tr> <td>Ordinary share price total return</td> <td style="text-align: right;">—%</td> <td style="text-align: right;">14.3%</td> <td style="text-align: right;">(0.5%)</td> </tr> </tbody> </table>				<i>Period ended 30 September 2014</i>	<i>Year ended 30 September 2015</i>	<i>Year ended 30 September 2016</i>	Net asset value				Net assets (£'000)	50	136,586	137,331	Equity shareholders' funds (£'000)	50	136,586	137,331	Net asset value per Ordinary Share (p)	100.00	106.49	107.07	Consolidated Statement of Comprehensive Income				Rental income (£'000)	—	5,901	11,323	Profit for the period (£'000)	—	12,893	7,799	Basic earnings per Ordinary Share (p)	—	13.43	6.08	NAV/share price returns				Net asset value total return	—%	13.7%	6.1%	Ordinary share price total return	—%	14.3%	(0.5%)
	<i>Period ended 30 September 2014</i>	<i>Year ended 30 September 2015</i>	<i>Year ended 30 September 2016</i>																																																
Net asset value																																																			
Net assets (£'000)	50	136,586	137,331																																																
Equity shareholders' funds (£'000)	50	136,586	137,331																																																
Net asset value per Ordinary Share (p)	100.00	106.49	107.07																																																
Consolidated Statement of Comprehensive Income																																																			
Rental income (£'000)	—	5,901	11,323																																																
Profit for the period (£'000)	—	12,893	7,799																																																
Basic earnings per Ordinary Share (p)	—	13.43	6.08																																																
NAV/share price returns																																																			
Net asset value total return	—%	13.7%	6.1%																																																
Ordinary share price total return	—%	14.3%	(0.5%)																																																

	<p>Selected unaudited historical financial information relating to the Company which summarises the financial condition of the Group for the six months ended 31 March 2016 and 31 March 2017 is set out in the following table:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><i>Six months ended 31 March 2016</i></th> <th style="text-align: right;"><i>Six months ended 31 March 2017</i></th> </tr> </thead> <tbody> <tr> <td>Net asset value</td> <td></td> <td></td> </tr> <tr> <td>Net assets (£'000)</td> <td style="text-align: right;">137,513</td> <td style="text-align: right;">141,218</td> </tr> <tr> <td>Equity shareholders' funds (£'000)</td> <td style="text-align: right;">137,513</td> <td style="text-align: right;">141,218</td> </tr> <tr> <td>Net asset value per Ordinary Share (p)</td> <td style="text-align: right;">107.21</td> <td style="text-align: right;">109.67</td> </tr> <tr> <td>Consolidated Statement of Comprehensive Income</td> <td></td> <td></td> </tr> <tr> <td>Rental income (£'000)</td> <td style="text-align: right;">5,225</td> <td style="text-align: right;">6,022</td> </tr> <tr> <td>Profit for the period (£'000)</td> <td style="text-align: right;">4,455</td> <td style="text-align: right;">6,888</td> </tr> <tr> <td>Basic earnings per Ordinary Share (p)</td> <td style="text-align: right;">3.47</td> <td style="text-align: right;">5.36</td> </tr> </tbody> </table> <p>During the three financial periods ended 30 September 2016, the period from 1 October 2016 to 31 March 2017 (being the end of the last financial period of the Company for which financial information has been published), and subsequent to 31 March 2017, there has been no significant change to the financial condition or operating results of the Group save for the increase in the Company's net assets from £141.22 million as at 31 March 2017 to £144.37 million as at 31 October 2017 and the purchase and sale of the following properties.</p> <table border="1"> <thead> <tr> <th><i>Property</i></th> <th style="text-align: right;"><i>Value (£)</i></th> <th><i>Purchase/Sale</i></th> </tr> </thead> <tbody> <tr> <td>Cutlers Gate, Sheffield</td> <td style="text-align: right;">20.17 million</td> <td>Sale</td> </tr> <tr> <td>Pallion Retail Park, Sunderland</td> <td style="text-align: right;">25.60 million</td> <td>Purchase</td> </tr> <tr> <td>Phoenix, Reading</td> <td style="text-align: right;">20.51 million</td> <td>Sale</td> </tr> </tbody> </table>		<i>Six months ended 31 March 2016</i>	<i>Six months ended 31 March 2017</i>	Net asset value			Net assets (£'000)	137,513	141,218	Equity shareholders' funds (£'000)	137,513	141,218	Net asset value per Ordinary Share (p)	107.21	109.67	Consolidated Statement of Comprehensive Income			Rental income (£'000)	5,225	6,022	Profit for the period (£'000)	4,455	6,888	Basic earnings per Ordinary Share (p)	3.47	5.36	<i>Property</i>	<i>Value (£)</i>	<i>Purchase/Sale</i>	Cutlers Gate, Sheffield	20.17 million	Sale	Pallion Retail Park, Sunderland	25.60 million	Purchase	Phoenix, Reading	20.51 million	Sale
	<i>Six months ended 31 March 2016</i>	<i>Six months ended 31 March 2017</i>																																						
Net asset value																																								
Net assets (£'000)	137,513	141,218																																						
Equity shareholders' funds (£'000)	137,513	141,218																																						
Net asset value per Ordinary Share (p)	107.21	109.67																																						
Consolidated Statement of Comprehensive Income																																								
Rental income (£'000)	5,225	6,022																																						
Profit for the period (£'000)	4,455	6,888																																						
Basic earnings per Ordinary Share (p)	3.47	5.36																																						
<i>Property</i>	<i>Value (£)</i>	<i>Purchase/Sale</i>																																						
Cutlers Gate, Sheffield	20.17 million	Sale																																						
Pallion Retail Park, Sunderland	25.60 million	Purchase																																						
Phoenix, Reading	20.51 million	Sale																																						
B.8	<p>Key pro forma financial information</p> <p>The key pro forma financial information included in this document has been prepared to illustrate the effect on the net assets of the Group as if the Share Issue, the Vendor Issue and the Acquisition had occurred on 31 March 2017 and on the earnings of the Group for the year ended 30 September 2016 as if they had occurred on 1 October 2015. The pro forma financial information addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results.</p>																																							
B.9	<p>Profit forecast</p> <p>Not applicable. No profit forecast or estimate is made.</p>																																							
B.10	<p>Description of the nature of the qualifications in the audit report on the historical financial information</p> <p>Not applicable. The audit reports on the historical financial information contained within this document are not qualified.</p>																																							
B.11	<p>Insufficient working capital</p> <p>Not applicable. The Company is of the opinion 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.</p>																																							
B.34	<p>Investment policy</p> <p>The Company pursues its investment objective by investing in a diversified portfolio of UK commercial properties.</p> <p>It invests 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 invests predominantly in income producing investments. Investment decisions are 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 does 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 is also 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. Pre-let 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	<p><i>Borrowing limits</i></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.36	<p><i>Regulatory status</i></p> <p>The Company is not regulated or authorised by the Financial Conduct Authority but is subject to the Listing Rules, the Disclosure Guidance and Transparency Rules the Market Abuse Regulation, and the Prospectus Rules as applicable to closed-ended investment companies. It is also an EU alternative investment fund for the purposes of the AIFMD.</p>
B.37	<p><i>Typical investor</i></p> <p>Typical investors in the Company are expected to be institutional investors and professionally advised private investors who are seeking an attractive level of income and capital growth from investing in a diversified portfolio of UK commercial real estate assets. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Ordinary Shares. Any investor in the Company should understand and accept the risks inherent in the Company's investment policy.</p>
B.38	<p><i>Investment of 20 per cent. or more in single underlying asset or investment company</i></p> <p>Not applicable.</p>
B.39	<p><i>Investment of 40 per cent. or more in single underlying asset or investment company</i></p> <p>Not applicable.</p>

B.40

Applicant's service providers

AIFM

Ediston Investment Services Limited has been appointed as the Company's alternative investment fund manager pursuant to the AIFM Agreement under which it is responsible for overall portfolio management and compliance with the Company's investment policy, ensuring compliance with the requirements of the AIFMD that apply to the Company, and undertaking all risk management. The AIFM has delegated responsibility for portfolio management services to the Manager pursuant to the Investment Management Agreement. The AIFM has, and shall maintain, necessary expertise and resource to supervise the delegated tasks effectively.

The AIFM Agreement can be terminated by any party on 12 months' written notice. The AIFM Agreement may be terminated immediately if the AIFM is in material breach of the agreement, guilty of negligence, wilful default or fraud or is the subject of insolvency proceedings.

The AIFM Agreement provides that the Company will pay to the AIFM 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. As part of the Proposals the AIFM and the Manager have agreed to reduce future management fees payable on any cash available for investment (being all cash held by the Company excluding cash required for working capital and capital expenditure) by 50 per cent. while such cash remains uninvested and the AIFM Agreement has been revised accordingly.

Manager

Pursuant to the Investment Management Agreement, the AIFM has delegated responsibility for portfolio management services to Ediston Properties Limited as investment manager on the same terms as the AIFM Agreement. In its capacity as investment manager to the Company, the Manager will advise the Company on the acquisition of real estate assets and on the management and disposal of the real estate assets in the Group's portfolio.

The Investment Management Agreement can be terminated by any party on 12 months' written notice. The Investment 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 Management Agreement to which the Board has not given its prior consent.

Administrator

Maitland Administration Services (Scotland) Limited has been appointed as company secretary and administrator pursuant to the Administration and Secretarial Agreement. In such capacity, the Administrator is responsible for the Company's general administrative functions such as the calculation and publication of the Company's net asset value and the maintenance of accounting records.

The Administrator is entitled to a fixed fee per annum, increasing annually in line with RPI, which is payable by the Company to the Administrator pursuant to the Administration and Secretarial Agreement. The fee in respect of the year ended 31 October 2017 was £82,204. A further fee of 0.05 per cent. per annum of the total assets of the Company that are in excess of £100 million, subject to a cap of £97,617 increasing annually in line with RPI, is 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.

Depositary

Augentius Depositary Company Limited has been appointed as the depositary to the Company as required by the AIFMD. The Depositary will carry out the core duties under Article 21(7), (8) and (9) of the AIFMD which include cash monitoring, asset verification and general oversight of the Company's portfolio.

	<p>Given that the fees payable by the Company to the Depositary under the Depositary Agreement are calculated by reference to <i>inter alia</i> the assets held, there is no maximum amount payable under the Depositary Agreement.</p> <p>The Depositary Agreement may be terminated by either party by giving three months' written notice or immediately if either party is in material breach of any of the terms of the Depositary Agreement.</p> <p><i>The Registrar</i></p> <p>The Company utilises the services of Computershare Investor Services PLC as registrar in relation to the transfer and settlement of Ordinary Shares held in uncertificated form.</p> <p>Given that the fees payable under the Registrar Agreement are calculated as <i>inter alia</i>, a multiple of the number of Shareholders admitted to the register each year plus a multiple of the number of share transfers made each year, there is no maximum amount payable under the Registrar Agreement.</p> <p><i>The Auditor</i></p> <p>Grant Thornton UK LLP provides audit services to the Company. The annual reports and accounts are prepared according to accounting standards in line with the International Financial Reporting Standards as adopted by the European Union.</p> <p>The fees charged by the Auditors depend on the services provided, computed, <i>inter alia</i>, on the time spent by the Auditors on the affairs of the Company and there is no maximum amount payable.</p>
B.41	<p><i>Regulatory status of service providers</i></p> <p>The AIFM is authorised and regulated by the FCA. The Depositary is authorised and regulated by the FCA.</p>
B.42	<p><i>Calculation of Net Asset Value</i></p> <p>The properties owned by the Group are valued by an external valuer quarterly in accordance with the Red Book. The net asset value attributable to the Ordinary Shares is published quarterly based on the most recent valuation of the Property Portfolio and in accordance with IFRS. The NAV per Share is calculated by the Administrator based on information provided by the Manager and published through a Regulatory Information Service as soon as practicable after the end of the relevant quarter.</p> <p>The calculation of the NAV per 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	<p><i>Cross liability</i></p> <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	<p><i>No financial statements have been made up</i></p> <p>Not applicable. The Company has commenced operations and historical financial information is included within this document.</p>
B.45	<p><i>Portfolio</i></p> <p>The Existing Portfolio comprises 12 commercial properties which are located across the UK and has an aggregate market value of approximately £173.59 million as at 31 October 2017. As at 17 November 2017 the Company also had cash of approximately £30.4 million, of which approximately £20 million is available for investment (excluding funds required for dividend payments, working capital purposes and capital expenditure).</p>

B.46	<p>Net asset value</p> <p>The unaudited Adjusted NAV per Share (with accrued dividends and the costs that would be incurred if the Proposals did not complete deducted) as at 31 October 2017 (being the latest practicable date prior to the publication of this document) was 110.21 pence.</p>
------	--

Section C – Securities

Element	Disclosure
C.1	<p>Type and class of securities</p> <p>The Company proposes to issue up to 150 million New Shares in aggregate pursuant to the Share Issue and the Vendor Issue and up to 60 million New Shares pursuant to the Placing Programme. Application will be made to the UK Listing Authority for the New Shares to be admitted to the Official List with a premium listing. The ISIN of the New Shares is GB00BNGMZB68 and the SEDOL is BNGMZB6.</p>
C.2	<p>Currency</p> <p>The Ordinary Shares are denominated in Sterling.</p>
C.3	<p>Number of securities in issue</p> <p>The nominal value of an Ordinary Share is one penny. As at 17 November 2017 (being the latest practicable date prior to the publication of this document) the Company had 130,993,931 Ordinary Shares in issue all of which are fully paid.</p>
C.4	<p>Description of the rights attaching to the securities</p> <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 such holders out of the assets attributable to their class of 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.</p>
C.5	<p>Restrictions on the free transferability of the securities</p> <p>Subject to the Articles (and the restrictions on transfer contained therein) a Shareholder may transfer all or any of his Ordinary Shares in any manner which is permitted by the Companies 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 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 Ordinary Shares by persons who are located in the United States or who are US Persons and on the resale of Ordinary Shares by any Shareholders to any person who is located in the United States or is a US Person.</p>
C.6	<p>Admission</p> <p>Application will be made to the UK Listing Authority for any New Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market.</p>

C.7	<p>Dividend policy</p> <p>Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to continue to pay an attractive level of dividend income to Shareholders on a monthly basis. Whilst not forming part of its investment policy, the Company has targeted and paid an annual dividend of not less than 5.5 pence per Share since launch in October 2014. The dividend has been fully covered since April 2016. The Board believes the Acquisition will enhance the dividend cover over the medium term.</p> <p>As announced on 15 November 2017, the Board intends to increase the annualised dividend level by 4.5 per cent. from 5.5 pence per Ordinary Share to 5.75 pence per Ordinary Share, in the absence of unforeseen circumstances. This new dividend level will commence with the dividend in respect of the month ending 31 January 2018 which will be paid in February 2018. In determining the level of future dividends, the Board will seek to ensure that any dividend is sustainable over the medium term taking into account any expected increase in dividend cover and the projected income performance of the Company.</p>
-----	---

Section D – Risks

Element	Disclosure
D.1	<p>Key information on the key risks specific to the issuer</p> <ul style="list-style-type: none"> • The net asset values are primarily based on the independent valuation of the underlying properties held by the Group. The valuation of property is inherently subjective due to the individual nature of each property and as a result valuations are subject to substantial uncertainty. There is no assurance that the valuations of properties will reflect the actual sale price even where such sales occur shortly after the relevant valuation date. • The performance of the Group would be adversely affected by a downturn in the property market in the UK in terms of market value or a weakening of rental yields. In the event of default by a tenant, or during any other void period, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveying costs in re-letting, maintenance costs, insurances, rates and marketing costs. • The Group'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 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 occupier demand for premises. • 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 Group'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 Properties held by the Group or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders. • The Group may have difficulty in obtaining a new tenant for any vacant space it has, or may have, in its Properties, particularly if prospective tenants have negative perceptions of the attractiveness or other features of any Property. Certain of the Properties may be specifically suited to the particular needs of a certain type of tenant. The Group may need to incur additional capital expenditure on a Property to attract tenants. • In determining the appropriate market value, the Valuer is required to make certain assumptions. Such assumptions may prove to be inaccurate. In assessing the appropriate market value, the Valuer has regard to transactional evidence, market conditions and sentiment existing at the date of the valuation. The commercial real estate market has been shown to be cyclical in terms of values and liquidity. Rapidly

	<p>changing political, financial and economic circumstances together with the use of debt can lead to periods of significant volatility in both prices and levels of transactions. Where transactional evidence is sparse against which property valuations can be benchmarked this can pose extra challenges to valuers and can result in subsequent sale outcomes which vary from the valuation number.</p> <ul style="list-style-type: none"> • The valuations of the Existing Portfolio and the New Portfolio are believed to be accurate only as of their valuation date. Whilst there has been no material change in the valuation of the Existing Properties and the New Properties since 31 October 2017 to the date of this document, market volatility following the date of publication of this document may cause material changes in the value of these properties. Therefore there can be no assurance that these valuations will be reflected in actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove attainable. • The assumptions made by the Valuer regarding the length of void periods may underestimate the actual void periods suffered by the Group. If the vacancy continues for a longer period of time, the Group may suffer reduced revenues resulting in less income being 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. • Where there are lease expiries within the 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 Property Portfolio. • There is no certainty that the Acquisition will become effective as it is subject to the satisfaction of a number of conditions. The completion of the Acquisition is conditional upon, <i>inter alia</i>, Resolution 1, Resolution 2 and Resolution 4 being passed at the General Meeting and the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not being terminated in accordance with its terms. The Share Issue is conditional upon the same conditions and <i>inter alia</i> the Minimum Issue Proceeds (being £37.1 million) being raised. In the event that the Acquisition and the Share Issue do not complete, it is estimated that the costs incurred by the Company will be, in aggregate, approximately £0.85 million. • The New Portfolio will be acquired pursuant to the terms of the Acquisition Agreement which contains warranties and a tax covenant customary to agreements of this nature. However, the liability of the Vendors in relation to these warranties and the tax covenant has been excluded. Warranty and indemnity insurance has therefore been put in place on behalf of the Company and the New Property Subsidiary. The insurance policy is subject to certain exclusions, an overall liability cap of £30 million and claims cannot be made in relation to matters that were known to the New Property Subsidiary prior to the signing of the Acquisition Agreement. In the event that a claim arose under the warranties which is not covered or not fully covered by the insurance policy, the Company or the New Property Subsidiary would not be able to recover the full amount of its loss which could have a material adverse effect on the financial position of the Group.
D.3	<p>Key information on the key risks specific to the securities</p> <ul style="list-style-type: none"> • An investment in Ordinary Shares is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as long term in nature and complementary to existing investments in a range of other financial assets. • The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of an Ordinary Share may vary considerably from its underlying net asset value. Shareholders could lose all or part of their investment in the Ordinary Shares. The market value of the Ordinary Shares, as well as being

	<p>affected by their net asset value, also takes into account their dividend yield and prevailing interest rates.</p> <ul style="list-style-type: none"> • Dividend growth, if any, on the Ordinary Shares will depend principally on growth in rental income received from the underlying assets. • The net proceeds of the Placing Programme will be used to acquire further UK commercial properties. The generation of profits for distribution by the Group depends 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 Placing Programme are invested in UK commercial properties, the Board expects the income generated by the proceeds of the Placing Programme to be lower than the income generated from cash which has been invested by the Group in UK commercial properties.
--	--

Section E- Offer

Element	Disclosure
E.1	<p><i>Net proceeds and costs of the Proposals</i></p> <p>The costs and expenses of the Share Issue, Vendor Issue and the Acquisition are dependent in part on subscriptions, as is the recovery of such costs. However, by way of illustration, such costs include all costs in relation to the Acquisition (including the acquisition costs of the SPVs and due diligence costs thereon), the commission payable to the Placing Agent and the Intermediaries Offer Adviser and the costs in relation to the publication of this document and the Circular.</p> <p><i>Costs in the event that the Minimum Issue Proceeds are raised</i></p> <p>Assuming only the Minimum Issue Proceeds are raised pursuant to a single issue under the Initial Placing and that the maximum number of Vendor Shares available for issue are issued (being 32.66 million New Shares based on the Share Issue Price) the costs of the Share Issue, Vendor Issue and the Acquisition would be approximately £2.44 million (of which approximately £1.0 million relate to the Share Issue). Therefore the net proceeds are expected to be approximately £37.1 million.</p> <p><i>Costs in the event that the Share Issue is fully subscribed</i></p> <p>Assuming 32.66 million New Shares are issued to the Vendors (being the maximum available to issue to the Vendors) and 117.34 million New Shares (being 150 million less the aforementioned maximum number of Vendor Shares) are issued pursuant to a single issue under the Initial Placing, the costs of the Share Issue, Vendor Issue and the Acquisition would be approximately £3.42 million (of which approximately £1.9 million relate to the Share Issue). Therefore the net proceeds are expected to be approximately £127.7 million.</p> <p><i>Costs in the event that the Acquisition does not proceed</i></p> <p>Assuming that the Acquisition does not proceed, the abortive costs would be approximately £0.85 million.</p>
E.2	<p><i>Reasons for offer and use of proceeds</i></p> <p>The net proceeds of the Share Issue are intended to be used by the Group to fund the acquisition of the New Portfolio, together with the issue of the Vendor Shares, the New Facility and the Company's existing cash reserves. As at 17 November 2017 the Company had approximately £20 million of cash available for investment (excluding funds required for dividend payments, working capital purposes and capital expenditure). In the event the Minimum Issue Proceeds (being £37.1 million) are raised under the Share Issue it is expected that the remaining consideration would be satisfied by way of the issue of approximately 32.66 million Vendor Shares (being equal to approximately £36.5 million), up to £54.16 million being drawn down under the New Facility and the balance would be satisfied by the existing cash resources of the Company.</p>

	<p>The Board believes that the Manager is also well positioned to identify further attractive property acquisition opportunities. Therefore the Board is also proposing to implement a 12 month Placing Programme following the completion of the Acquisition pursuant to which the Board will have the ability to issue further New Shares until November 2018. The net proceeds of the Placing Programme will be used by the Group to fund acquisitions of and investments in further properties in accordance with the Company's investment policy.</p> <p>It is expected that the Proposals will diversify the Property Portfolio, enhance the dividend cover and introduce a number of asset management opportunities which should enhance returns to Shareholders, increase the size of the Group and spread the Group's fixed costs over a wider asset base. The Proposals, if they become effective, should also increase the market capitalisation of the Company and enhance liquidity in the Ordinary Shares.</p>
E.3	<p>Terms and conditions of the offer</p> <p>To become effective, the Share Issue requires, <i>inter alia</i>, the following events to occur:</p> <ul style="list-style-type: none"> • the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; • the Admission Condition being satisfied prior to 8.00 a.m. on 8 December 2017 (or such later time and/or date, not being later than 8.00 a.m. on 22 December 2017, as the Board may determine); • Resolution 1, Resolution 2 and Resolution 4 being passed at the General Meeting; and • the net proceeds of the Share Issue being the equivalent of at least £37.1 million (the "Minimum Issue Proceeds"). <p>The Acquisition Agreement is conditional on the first two conditions above being satisfied. A further condition in relation to obtaining the consent of a landlord of part of the Widnes Retail Park prior to the grant to Aviva of a fixed charge has also either to be satisfied or waived by the Company prior to 22 December 2017.</p> <p>Subject to the requirements of the Listing Rules, any of the conditions referred to above may be waived by the Company (or, where appropriate, by the party for whose benefit the relevant condition exists) in whole or in part on or before 8 December 2017. The Share Issue will only become effective if all of the conditions referred to above are satisfied or waived (as the case may be) on or before 22 December 2017. In the event that these conditions are not satisfied or waived Initial Admission will not occur and the Acquisition will not complete. In such circumstances no funds will be drawn down under the New Facility and any monies received under the Share Issue will be returned to investors. The Share Issue is not being underwritten.</p> <p>To become effective, each Placing Programme Issue will require the following events to occur:</p> <ul style="list-style-type: none"> • Resolution 3 and Resolution 5 being passed at the General Meeting and the appropriate authority remaining in place; • the Placing Programme Price being determined by the Directors; • the Admission Condition being satisfied pursuant to such Placing Programme Issue; and • a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.
E.4	<p>Material interests</p> <p>Not applicable. No interest is material to the Proposals.</p>
E.5	<p>Name of person selling securities</p> <p>Not applicable. No person or entity is offering to sell the New Shares as part of the Proposals.</p>

E.6	<p><i>Dilution</i></p> <p>Existing Shareholders are not obliged to participate in the Share Issue or the Placing Programme. However, those Existing Shareholders who do not participate in the Share Issue or the Placing Programme will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued.</p> <p><i>The Share Issue and the Acquisition</i></p> <p>Assuming 150 million New Shares are issued under the Share Issue and the Vendor Issue, Existing Shareholders who do not participate will suffer a dilution of approximately 53.38 per cent. to their existing percentage holdings.</p> <p><i>The Share Issue, the Acquisition and the Placing Programme</i></p> <p>Assuming (i) 150 million New Shares are issued under the Share Issue and pursuant to the Vendor Issue and (ii) 60 million New Shares are issued under the Placing Programme, Existing Shareholders who participate in neither the Share Issue nor the Placing Programme will suffer a dilution of approximately 61.58 per cent. to their existing percentage holdings.</p> <p><i>The Placing Programme</i></p> <p>Assuming the Share Issue and the Acquisition do not proceed and 60 million New Shares are subsequently issued under the Placing Programme, Existing Shareholders who do not acquire any of those New Shares will suffer a dilution of approximately 31.41 per cent. to their existing percentage holdings.</p> <p>The price at which the New Shares are issued will be set by the Board at a premium to the prevailing NAV per Share. The premium will be intended to cover the direct costs of issue and will seek to contribute to the financial impact of investing the proceeds. The price will also take into account the prevailing price of the existing Shares in the market. However, the price will not necessarily cover the full costs of issue and the investment of the proceeds. The NAV per Share could therefore be reduced to the extent such costs are not covered.</p>
E.7	<p><i>Expenses charged to the investor</i></p> <p>Not applicable. No expenses charged to the investor.</p>

RISK FACTORS

An investment in the Company should not be regarded as short-term in nature and involves risks that could lead to the loss of all or part of that investment. An investment in the Company is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment. Prospective investors should consider carefully all of the information set out in this document, including the risks described below, as well as their own personal circumstances, before deciding to invest in the Company.

The risk factors referred to below are the risks 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 Group or the Ordinary Shares. If any of the adverse events described below occurs, the Group's financial condition, performance and prospects and the market price of the Ordinary Shares could be materially adversely affected and Shareholders may lose all or part of their investment. Additional risks which were not known to the Directors at the date of this document, or that the Directors considered to be immaterial at the date of this document, may also have an adverse effect on the Group's financial condition, performance and prospects and the market price of the Ordinary Shares. Potential investors should review this Prospectus carefully and in its entirety and consult with their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before acquiring any Ordinary Shares.

Prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

If a prospective investor is in any doubt as to the consequences of their acquiring, holding or disposing of Ordinary Shares, or whether an investment in the Company is suitable for them, they should consult their independent financial adviser authorised under FSMA or, in the case of a prospective investor who is located outside the United Kingdom, another appropriately authorised independent financial adviser, before making an application to participate in the Issue.

Potential investors should carefully consider the following material risk factors in relation to the Group and the Ordinary Shares.

Risks relating to the Ordinary Shares

Risks relating to the market value of the Ordinary Shares

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. The market prices of shares in quoted investment companies can therefore be at a discount or premium to the net asset value at different times, depending on supply and demand, market conditions, general investor sentiment, rental yields and other factors. Accordingly the market price of the Ordinary Shares may not fully reflect their underlying net asset value.

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, market perceptions as to when and at what level the Company will pay dividends on the Ordinary Shares and various other factors and events, including the liquidity of financial markets, variations in the Company's operating results, business developments of the Company and/or its competitors. Although the New Shares to be issued pursuant to the Share Issue and the Placing

Programme are to be issued at a premium to the NAV per Share, there is no guarantee that such Shares will trade at a premium to NAV.

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 Group or factors or events that may directly or indirectly affect its business.

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 its rental income generated from the properties owned by the Group.

Dividend growth on the Ordinary Shares will depend principally on growth in rental income received from the underlying assets and the extent to which the Group is invested. The net proceeds of the Share Issue will be used to acquire the New Portfolio and the proportion of the net proceeds raised under the Share Issue (in excess of those required to complete the Acquisition) and the Placing Programme will be used to acquire UK commercial properties in accordance with the Company's investment policy. The timing of the acquisition of any such additional properties will depend, *inter alia*, on the completion of the negotiations, in a manner acceptable to the Board and the Manager, in relation to the properties that have been identified by the Manager. In the event that an acquisition of a property identified by the Manager as being a suitable investment for the Group did not complete, there may be a significant period of time between completion of an issue of New Shares and the proceeds of such issue being fully invested by the Group. If proceeds are received in excess of the Minimum Issue Proceeds, until any such proceeds or proceeds from any Placing Programme Issue are invested they will not generate significant amounts of income and the dividends payable in respect of the Ordinary Shares are not likely to exceed the income generated by the proceeds of the Share Issue and any Placing Programme Issue until such proceeds are fully invested in UK commercial properties.

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 are listed on the Official List and traded on the Main Market, there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty in selling them.

Risks relating to the Company

Risks relating to the potential returns of an investment in the Company

There can be no guarantee that the Company will achieve its investment objective. Meeting that objective is a target but the existence of such objective should not be considered as an assurance or guarantee that it can or will be achieved. If the objective is not met, Shareholders may not receive an attractive level of income or any income or capital growth in the underlying value of their Shares.

The Company has no employees and is reliant on the performance of third party service providers and other third parties

The Company has no employees and all of the Directors have been appointed on a non-executive basis. The Company must therefore rely upon third party service providers to perform certain functions. In particular, the AIFM, the Manager, the Administrator, the Depositary, the Custodian, the Registrar and their respective delegates, if any, will perform services that are integral to the Group's operations and financial performance. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Group at all as a result of insolvency, bankruptcy or other causes, could have a material adverse effect on the Group's operations and performance and on returns to Shareholders. The termination of the Company's relationship with any third party service provider, or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the Group's performance and returns to Shareholders.

Failure by any third party to carry out its obligations in connection with the operation of the Group, to exercise due care and skill, or to perform its obligations in connection with the operation of the Group at all as a result of insolvency, bankruptcy or other causes, could have an adverse effect on the Group's

performance and returns to Shareholders. The lack of any direct contractual relationship between the Company and any such third party, the termination of the services of any such third party, or any delay in finding a replacement for any such third party, could materially disrupt the business of the Group and could have an adverse effect on the Group's performance and returns to Shareholders.

Risks relating to the taxation of the Group

UK tax legislation or practice may change. 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 Group'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 any other member of the Group, 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 (including in relation to tax status and Group structuring), either in the United Kingdom or in other countries in which the Group operates, could have a material adverse effect on the Group'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.

Risks relating to the Company's REIT status

The Company cannot 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: (i) 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; (ii) the Company has committed a certain number of minor or inadvertent breaches in a specified period; or (iii) 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.

Risks relating to gearing and access to debt financing in the future

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 Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Property Portfolio falls for whatever reason, including tenant defaults, the use of borrowings will increase the impact of such fall on the net revenue of the Group and accordingly will have an adverse effect on the Group's ability to pay dividends to Shareholders.

There is no guarantee that the Group will be able to refinance the Existing Facility or the New Facility on their maturity (being May 2025 in respect of the Existing Facility and December 2027 in respect of the New Facility) either at all or on acceptable terms, which may adversely affect the future prospects of the Group and, as a consequence, returns to Shareholders.

In the event that the Acquisition completes, the Group may draw down between approximately £35 million and £54 million of the New Facility to fund in part the Acquisition. This will be in addition to its Existing Facility. Although gearing, as a percentage of the Company's gross assets is expected to remain at broadly 30 per cent. the Acquisition could result in gearing increases to the maximum gearing limit, under the Company's investment policy, of 35 per cent. Furthermore, the Group may be required

to use part of its cash flows to service its debt obligations, thereby reducing the flexibility and cash available to pay dividends to Shareholders over the longer term and increasing the Group's vulnerability to general adverse economic and industry conditions including increases in interest rates.

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

Risks relating to the economic environment

Any weakening of the economic conditions in the United Kingdom and elsewhere and/or an increase in interest rates may reduce the value of the Property Portfolio and may reduce liquidity in the commercial real estate market. A lack of liquidity in commercial real estate may prevent the Group from taking advantage of occupational demand and rental growth or disposing of lower growth or riskier assets, thereby adversely affecting the Company's net asset value. As a result, the Group may be unable to sell property or, alternatively, might be forced to sell property at less than the value stated in the valuation of the Property Portfolio, which could have a material adverse effect on its business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

Risks relating to the UK's proposed exit from the European Union

The Group could face potential uncertainty as a result of the UK Government triggering Article 50 of the Treaty on the European Union on 29 March 2017. The exit, anticipation of the exit or the terms of the exit could create UK (and potentially global) uncertainty, which may have a material effect on the total shareholder returns, the net asset value and the price of the Ordinary Shares favourably or unfavourably.

Risks relating to the existence of competition for investment

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

Risks relating to law and regulation which may affect the Group

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Group's business, investments and performance. The Group is subject to laws and regulations enacted by national and local government. In addition, the Company is subject to and will be required to comply with certain regulatory requirements which are applicable to closed-ended investment companies (including continuing reporting obligations) whose shares are listed on the premium segment of the Official List of the FCA. Any change in the laws and regulations affecting the Company, the AIFM, the Manager or the Company's investments may be burdensome to implement and involve further layers of administration which may have an adverse effect on the ability of the Company to carry on its business and pursue its investment policy.

Government authorities are also actively involved in the application and enforcement of laws and regulations relating to, *inter alia*, taxation, land use and zoning and planning restrictions, environmental protection and safety. The institution and enforcement of those laws and regulations could have the effect of increasing the expense and lowering the income or rate of return from as well as adversely affecting the value of the Group's assets.

Risks relating to US laws

Under a US law that is commonly referred to as the "Foreign Account Tax Compliance Act" or "FATCA" a US agent may be required to withhold a 30 per cent. tax from any "withholdable payment" made to the Company unless the Company enters into an agreement with the US Internal Revenue Service to

determine which (if any) of its accounts are “United States accounts” and complies with annual information reporting with respect to such United States accounts.

Unless the Company enters into an agreement with HMRC under the US-UK Intergovernmental Agreement (which allows HMRC to pass information to the US tax authorities) and complies with the applicable reporting requirements, withholdable payments made to the Company will be subject to the 30 per cent. tax. In certain cases, if the Company is unable to obtain the requisite information regarding an investor to satisfy the requirements of FATCA, the Company will be required to withhold 30 per cent. tax on withholdable payments (and certain payments attributable to withholdable payments as determined under FATCA) made to such investor. The foregoing is only a general summary of certain provisions of FATCA. Prospective investors are urged to consult with their own tax advisers regarding the application of FATCA to their investment in the Company. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

Risks relating to the Alternative Investment Fund Managers Directive

The AIFMD, regulates investment fund managers established in the EU and prohibits such managers from managing any alternative investment fund (“AIF”) or marketing shares in such funds to investors in the EU unless an AIFMD authorisation is granted to the AIFM. Any regulatory changes arising from implementation of the AIFMD and any derivative legislation or guidance (or otherwise) that impairs the ability of the Manager to manage the investments of the Company, or limits the Company’s ability to market its Ordinary Shares, may materially adversely affect the Company’s ability to carry out its investment strategy and achieve its investment objective. Furthermore, the regime may give rise to increased compliance and regulatory costs, some of which may be passed onto the Company including the costs of a depositary, such that returns to Shareholders could be adversely affected.

Risks relating to conflicts of interest

The services of the Manager, its officers and employees are not exclusive to the Company. Although the Manager has in place a conflicts of interest policy and asset allocation policy in fulfilling its responsibilities to the Company, it may be subject to certain conflicts of interest arising from its relations with third parties to whom it also owes duties or in whom it has an interest. In particular, the Manager 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 Manager investing cash available for Investment for other clients as opposed to the Company thereby increasing the period of time during which the proceeds of the Share Issue or an Placing Programme Issue are not fully invested.

Risks relating to the Company’s investments

Risks relating to property and property-related assets

The performance of the Group would be adversely affected by a downturn in the property market in terms of market value or a weakening of rental yields. In the event of default by a tenant, or during any other void period, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveying costs in re-letting, maintenance costs, insurance costs, rates and marketing costs.

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.

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

Where there are lease expiries within the Property Portfolio, there is a risk that a 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 Property Portfolio.

The Group 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.

As the owner of UK commercial property, the Group is 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 Group owns or 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 Group 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 Group's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

The Manager has a relatively unconstrained investment strategy and in relation to sub sector allocation is able to take overweight positions against the average within the UK property market. Were the proposed acquisition to complete, the Company will see its retail warehouse exposure increase to approximately 75 per cent. of all assets held, the remaining being invested mainly in the regional office sector and a smaller amount in leisure properties. Should returns from the retail warehouse sub sector of the market underperform relative to other sectors of the property market, the significant increase in the Company's exposure to the retail warehouse sub sector could decrease shareholder returns relative to a more diversified portfolio. Shareholder returns may also decrease if the New Portfolio were to underperform the Existing Portfolio.

Risk relating to acquiring 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. If the proceeds of the Share Issue or any Placing Programme Issue are not invested at the target yields, the income returns to Shareholders could be reduced and the level of dividends paid to Shareholders, or the level of dividend cover, could also be materially adversely affected.

The Company will incur certain fixed costs on the acquisition of properties, including stamp duty land tax or land and buildings transaction 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.

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 the Properties will reflect the actual sale price even where such sales occur shortly after the relevant valuation date.

The Property Portfolio is valued by the Valuer quarterly and, for the purposes of this document, the Existing Portfolio and the New Portfolio have been valued by the Valuer as at 31 October 2017 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.

In assessing Market Value the Valuer has regard to transactional evidence, market conditions and sentiment existing at the date of the valuation. The commercial real estate market has been shown to be cyclical in terms of values and liquidity. Rapidly changing political, financial and economic circumstances together with the use of debt can lead to periods of significant volatility in both prices and levels of transactions as has been the case since late 2007. Where transactional evidence is sparse against which property valuations can be benchmarked this can pose extra challenges to valuers and can result in subsequent sale outcomes which vary from the valuation number.

The valuation of the Properties is believed to be accurate only as of their valuation date. Although there has been no material change in the value of the Properties from the date of their valuation to the date of this document, market volatility following the date of this document may cause material changes in the value of the Properties after the date of this document. Therefore there can be no assurance that the valuations will be reflected in actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove attainable.

The value of the Properties can be affected by factors outside of the Group's control, including declining demand for industrial, office and retail real estate, changes in general economic conditions, changing local supply and the attractiveness of real estate relative to other investment choices. Failure to achieve successful sales of properties in the future at acceptable prices could have an adverse effect on the Group's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

Risks relating to reliance on key individuals

The underperformance or departure of key skilled professionals from the Manager could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the Acquisition and the Share Issue

Risks relating to the conditions to which the Acquisition and Share Issue are subject

There is no certainty that the Acquisition will become effective as it is subject to the satisfaction of a number of conditions. The completion of the Acquisition is conditional upon, *inter alia*, Resolution 1, Resolution 2 and Resolution 4 being passed at the General Meeting and the Placing Agreement becoming wholly unconditional (save as to Initial Admission). The Share Issue is conditional upon the same conditions and *inter alia* upon the Minimum Issue Proceeds (being £37.1 million) being raised. In the event that Initial Admission does not occur and the Acquisition does not complete, it is estimated that the costs incurred by the Company would be, in aggregate, approximately £0.85 million.

In the event that the Company raises more than the Minimum Issue Proceeds required to finance the Acquisition, the Company may suffer lower income returns in respect of its existing or acquired cash resources until such amounts are invested in suitable investments sourced by the Manager. Lower returns could have a material adverse effect on the financial condition of the Group and returns to Shareholders. The Manager does however have a healthy pipeline of suitable investments and would seek to mitigate this risk.

Risks relating to the warranties in connection with the Acquisition

The New Portfolio will be acquired pursuant to the terms of the conditional Acquisition Agreement which contains warranties and a tax covenant customary to agreements of this nature. The liability of the Vendors in relation to these warranties and the tax covenant has been excluded. Warranty and indemnity insurance has been taken out on behalf of the Company and the New Property Subsidiary. This insurance policy is subject to an overall cap of £30 million and claims will not be possible in relation to matters that were known to the New Property Subsidiary prior to signing the Acquisition Agreement. In the event that a claim arose under the warranties which is not covered or not fully covered by the insurance policy, the Company and the New Property Subsidiary would not be able to recover the full amount of its loss which could have a material adverse effect on the financial position of the Company.

Risks relating to the costs of acquiring UK commercial property

The net proceeds of the Share Issue will be used to acquire the New Portfolio together with the existing cash resources of the Company, the New Facility and the issue of the Vendor Shares. In the event that the Acquisition does not proceed, any monies raised under the Share Issue would be returned to investors. Regardless of whether the Acquisition completes, the Directors may at their discretion implement the Placing Programme, subject to receiving the requisite approvals from Shareholders. The net proceeds of the Placing Programme will be used to acquire UK commercial properties in accordance with the Company's investment policy. The typical costs of acquiring commercial properties are approximately 6.8 per cent. in England and Wales and approximately 6.2 per cent. in Scotland of the purchase price thereof. It is expected that, taking into account the full costs of the Share Issue and the Acquisition, there will be a small dilution in the NAV per Ordinary Share. Likewise, based on the price of the New Shares issued pursuant to the Placing Programme, the costs and expenses of the Placing Programme and assuming full market standard costs of acquiring commercial properties, the Placing Programme and the subsequent acquisition of properties with any proceeds could result in a small reduction in the NAV per Share at the time of investment.

Risks relating to the concentration of the Property Portfolio

Shareholders should note that the Acquisition will significantly increase the Group's exposure to retail warehouses which could decrease Shareholders' returns relative to a more diversified portfolio if the retail warehouse sector underperforms other commercial property sectors. In addition, if the New Portfolio significantly underperforms the Existing Portfolio then the Acquisition may result in poorer returns for Shareholders.

Risks relating to the Placing Programme

Risks relating to the shortfall of income until proceeds of the Placing Programme are invested

In the event that the Acquisition of the New Portfolio does not complete, the Company's existing cash resources and the net proceeds of the Placing Programme will be used to acquire further UK commercial properties in accordance with the Company's investment policy. The Manager has a healthy pipeline of suitable investments but the investments may take some months to complete. The generation of profits for distribution by the Group depends on the successful management of the Group's investments, the yields on existing and new properties, interest costs, taxes and the sale of properties. Until the Company's existing cash resources and the proceeds of any Placing Programme Issue are invested in UK commercial properties, the Board expects the income generated to be lower than the income generated from funds invested by the Group in UK commercial properties.

IMPORTANT INFORMATION

General

This document should be read in its entirety. New investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the AIFM, the Manager, the Sponsor or the Placing Agent 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, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulations 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.

Shareholders must not treat the contents of this document or any subsequent communications from the Company, the AIFM, the Manager, the Sponsor or the Placing Agent 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 either the Sponsor or the Placing Agent by FSMA or the regulatory regime established thereunder, neither the Sponsor nor the Placing Agent makes any representations, express or implied, nor accepts any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the New Shares, the Acquisition, the Share Issue or the Placing Programme. Each of the Sponsor and the Placing Agent (and their respective affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which any of them might otherwise have in respect of this document or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

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.

The Company consents to the use of this document by Intermediaries in connection with the subsequent resale or final placement of securities by Intermediaries. The offer period within which any subsequent resale or final placement of securities by Intermediaries can be made, and for which consent is given to Intermediaries to use this document, commences on 22 November 2017 and closes at 11.00 a.m. on 6 December 2017 unless closed prior to that time and/or date.

Information on the terms and conditions of any resale or final placement of securities by any Intermediary is to be provided by the relevant Intermediary at the time the offer is introduced to an investor. Any applications made by investors to any Intermediary to acquire securities will be subject to the terms and conditions of resale or final placement of the relevant Intermediary. Any Intermediary using this document must state on its website that it is using this document in accordance with the consent set out in the paragraph above.

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: (i) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares.

Prospective investors must rely on 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.

It should be remembered that the price of an Ordinary Share, and the income from such Ordinary Shares (if any), can go down as well as up. An investment in Ordinary Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as long term in nature and complementary to existing investments in a range of other financial assets.

Any investment objectives of the Company are targets only and should not be treated as assurance or guarantees of performance.

Notice to prospective investors in the European Economic Area

In relation to Relevant Member States other than the UK, an offer to the public of the New Shares may only be made once a prospectus has been passported in accordance with the Prospectus Directive as implemented by the Relevant Member State. This document has not been passported into any Relevant Member State; therefore, an offer of the New Shares to the public in a Relevant Member State other than the UK may only be made pursuant to the following exemption under the Prospectus Directive, if it has been implemented in that Relevant Member State:

- (a) to legal entities which are “qualified investors” as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) and subject to obtaining the prior consent of the Placing Agent and the Sponsor for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive. In those Relevant Member States which have implemented the AIFMD, the New Shares may only be offered in that Relevant Member State to the extent that shares in the Company may be marketed in the Relevant Member State pursuant to Article 36 of the AIFMD or can otherwise be lawfully marketed in that Relevant Member State in accordance with AIFMD or under the applicable implementing legislation (if any) of that Relevant Member State.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase or subscribe for New Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the “Amending Directive”) to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Directive is implemented in Member States, this document may not be used for, or in connection with, and does not constitute, any offer of New Shares or an invitation to purchase or subscribe for any New Shares in any Member State in which such offer or invitation would be unlawful.

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 AIFM, 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.

By becoming a registered holder of New Shares, such holder becomes a data subject and is deemed to have consented to the processing by the Company or any third party, functionary or agent appointed by the Company (including without limitation the Registrar) of any personal data relating to them in the manner described above.

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.

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

Presentation of information

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Forward looking statements

To the extent that this document includes “forward looking statements” concerning the Group, those statements are based on the current expectations of the Board and are naturally subject to uncertainty

and changes in circumstances. Forward looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates” and words of similar import.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Given these risks and uncertainties, potential investors should not place undue reliance on forward looking statements as a prediction of actual results.

Nothing in the preceding two paragraphs seeks to limit or qualify, in any way, the working capital statement in paragraph 6 of Part 8 of this document.

The Company does not undertake any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Information in this document will be updated as required by the Prospectus Rules, Listing Rules and Disclosure Guidance and Transparency Rules and the Market Abuse Regulation, as appropriate.

The actual number of New Shares to be issued pursuant to the Proposals will be determined by the Directors, the Manager, the Placing Agent and the Sponsor. Accordingly, the information in this document should be read in the light of the actual number of New Shares to be issued under the Proposals.

Documents incorporated by reference

The published audited annual report and accounts of the Group for the financial period ended 30 September 2014 and the two years ended 30 September 2016 and the published unaudited half yearly report and accounts of the Group for the six months ended 31 March 2016 and 31 March 2017 on the pages specified in the table below are incorporated by reference into this document. The non-incorporated parts of these annual reports and accounts and half yearly reports and accounts are either not relevant to investors or covered elsewhere in this document.

<i>Nature of information</i>	<i>Statutory Accounts for period ended 30 September 2014 Page No.</i>	<i>Statutory Accounts for year ended 30 September 2015 Page No.</i>	<i>Statutory Accounts for year ended 30 September 2016 Page No.</i>	<i>Half yearly report for six months ended 31 March 2016 Page No.</i>	<i>Half yearly report for six months ended 31 March 2017 Page No.</i>
Chairman’s Statement	2-3	4-5	4-5	4-5	4-5
Investment Manager’s Review	—	6-7	10-11	6-9	6-7
Property Portfolio	—	16-19	—	2-3	2-3
Directors’ Report	8-10	28-33	24-29	—	—
Consolidated Statement of Comprehensive Income	14	44	40	11	9
Consolidated Statement of Financial Position	15	45	41	12	10
Consolidated Statement of Changes in Equity	16	46	42	13-14	11-12
Consolidated Cash Flow Statement	17	47	43	15	13
Notes to the consolidated financial statements	18-23	48-61	44-62	16-22	14-19
Independent Auditor’s report	13	41-43	37-39	—	—

The documents incorporated by reference can be obtained from the Company’s website, www.ediston-REIT.com, and as set out in paragraph 16 of Part 11 of this document.

EXPECTED TIMETABLE

	<i>Date</i>
Share Issue	
Record Date for entitlement under the Open Offer	close of business on 17 November 2017
Open Offer, Initial Placing, Offer for Subscription and Intermediaries Offer open	22 November 2017
Latest time and date for receipt of application forms under the Open Offer	11.00 a.m. on 6 December 2017
Latest time and date for receipt of application forms under the Offer for Subscription	11.00 a.m. on 6 December 2017
Latest time and date for receipt of application forms under the Intermediaries Offer	11.00 a.m. on 6 December 2017
Latest time and date for receipt of commitments under the Initial Placing	12 noon on 6 December 2017
Results of the Share Issue announced	by close of business on 6 December 2017
Admission and dealings in New Shares commence	8 December 2017
Completion of the Acquisition	8.00 a.m. on 8 December 2017
Crediting of CREST accounts in respect of New Shares	8.00 a.m. on 8 December 2017
Share certificates in respect of New Shares despatched (if applicable)	week commencing 11 December 2017
Placing Programme opens	11 December 2017

Notes:

1. The dates set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates will be notified to the UK Listing Authority and the London Stock Exchange and an announcement will be made through a regulatory information service.
2. All references to time in this document are to the time in London.
3. In this document, where the context requires, references to 17 November 2017 should be treated as being references to the latest practicable date prior to the publication of this document.
4. New Shares will be issued pursuant to the Placing Programme only at such times (if any) as the Directors believe it is advantageous to Shareholders as a whole to do so. Further details of the Placing Programme are set out in Part 5 of this document.

ISSUE STATISTICS

Current issued share capital

Number of Ordinary Shares at the date of this document 130,993,931

Share Issue

Maximum number of New Shares available under the Share Issue 150 million less the Vendor Shares

Share Issue Price per New Share 111.75 pence per New Share representing a 1.4 per cent. premium to the Adjusted NAV per Share as at 31 October 2017

Vendor Shares

Maximum number of Vendor Shares to be issued 32,662,192

Placing Programme

Maximum number of New Shares to be issued pursuant to the Placing Programme 60 million

Placing Programme Price per New Share not less than the prevailing NAV per Share at the time of issue plus a premium intended to cover the direct costs of the issue

DEALING CODES

ISIN GB00BNGMZB68

Ticker Code EPIC

LEI 213800JRL87EGX9TUI28

DIRECTORS, MANAGER AND ADVISERS

Directors	William Hill (<i>Chairman</i>) Robin Archibald Robert Dick Jamie Skinner all non-executive and of Broadgate Tower, 20 Primrose Street, London EC2A 2EW
Manager	Ediston Properties Limited 39 George Street Edinburgh EH2 2HN
AIFM	Ediston Investment Services Limited Broadgate Tower 20 Primrose Street London EC2A 2EW
Placing Agent	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
Sponsor and Legal Adviser to the Company	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
Intermediaries Offer Adviser	Scott Harris UK Limited New Court St. Swithin's Lane London EC4N 8AL
Administrator and Company Secretary	Maitland Administration Services (Scotland) Limited Berkshire House 168 – 173 High Holborn London WC1V 7AA
Depository	Argentius Depository Company Limited Two London Bridge London SE1 9RA
Valuers	Knight Frank LLP 55 Baker Street London W1U 8AN
Reporting Accountants and Auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
Tax Adviser	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

DEFINITIONS

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

Acquisition	the acquisition of the entire issued share capital of each of the SPVs
Acquisition Agreement	the conditional sale and purchase agreement relating to the acquisition of the entire issued share capital of each of the SPVs dated 15 November 2017, a summary of which is set out in paragraph 8.7 of Part 11 of this document
Adjusted NAV per Share	the NAV per Share as at 31 October 2017 once the accrued dividend and the costs that would be incurred if the Proposals did not complete have been deducted
Administration and Secretarial Agreement	the administration and secretarial agreement between the Company, the Existing Property Subsidiary and the Administrator dated 16 October 2014, a summary of which is set out in paragraph 8.4 of Part 11 of this document
Administrator	Maitland Administration Services (Scotland) Limited, a company incorporated in England and Wales with registered number 07777299
Admission	in respect of New Shares, the admission of such New Shares to the Official List and to trading on the Main Market
Admission Condition	(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 New Shares 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 (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the New Shares will be admitted to trading
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance
AIFM	Ediston Investment Services Limited, a company incorporated in England and Wales with registered number 09626337, being the Company's alternative investment fund manager pursuant to the UK SI 2013/1773 the Alternative Investment Fund Managers' Regulations 2013
AIFM Agreement	the agreement between the Company and the AIFM, a summary of which is set out in paragraph 8.2 of Part 11 of this document
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council, as amended

Articles	the articles of association of the Company, a summary of which is set out in paragraph 5 of Part 11 of this document
Auditors	Grant Thornton UK LLP, a limited liability partnership incorporated in England and Wales with registered number OC307742
Australia	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
Aviva	Aviva Commercial Finance Limited, a company incorporated in England and Wales with registered number 02559391
Board or Directors	the directors of the Company
Brexit	the departure of the United Kingdom from the European Union
Business Day	a day (other than a Saturday or Sunday) on which the London Stock Exchange is open for business
Canada	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
Circular	the circular published by the Company and sent to Shareholders on or around the date of this document in relation to the Proposals
Combined Portfolio	the Existing Portfolio and the New Portfolio
Companies Act	the Companies Act 2006, as amended from time to time
Company	Ediston Property Investment Company PLC, a company incorporated in England and Wales with registered number 09090446
Computershare or the Registrar or the Receiving Agent	Computershare Investor Services PLC, a company incorporated in England and Wales with registered number 3498808
Court	the High Court of England and Wales
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 from time to time
CTA 2010	the Corporation Tax Act 2010, as amended from time to time
Depository	Augentius Depository Company Limited, a company incorporated in England and Wales with registered number 05830789
Depository Agreement	the depository agreement between the Company, the Manager and the Depository, a summary of which is set out in paragraph 8.9 of Part 11 of this document
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA as amended from time to time

Distribution	any dividend or other distribution by the Company (“distribution” being construed in accordance with Part 23 of the CTA 2010)
EEA States	the member states of the European Economic Area
EPRA	European Public Real Estate Association, the industry body for listed European Real Estate
ERISA	the US Employee Retirement Income Security Act 1974, as amended from time to time
Excess Application Facility	the facility to acquire the Excess Shares under the Open Offer, including the opportunity to apply for additional New Shares under the Share Issue (if applicable)
Excess Applications	applications made under the Excess Application Facility
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 and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution
Excess CREST Open Offer Entitlements	in respect of each existing CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for Shares using CREST pursuant to the Excess Application Facility
Excess Shares	New Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements and are available to other Qualifying Shareholders, together with fractional entitlements under the Open Offer
Excluded Shareholders	Shareholders with a registered address in or who are located in one of the Restricted Jurisdictions.
Existing Facility	the £56.92 million ten year term loan facility expiring in May 2025 provided to the Existing Property Subsidiary by Aviva pursuant to the Existing Facility Agreement
Existing Facility Agreement	the facility agreement between Aviva, in various capacities, and the Existing Property Subsidiary originally dated 6 May 2015 in relation to the Existing Facility, as amended, a summary of which is set out in paragraph 8.5 of Part 11 of this document
Existing Portfolio	the direct and indirect property assets of the Group as at the date of this document
Existing Properties	the properties held in the Existing Portfolio
Existing Property Subsidiary	EPIC (No. 1) Limited, a company incorporated in England and Wales with registered number 09106328
Existing Shareholders	holders of Ordinary Shares on the Record Date
Existing Shares	Ordinary Shares existing on the Record Date
FCA	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part IV of FSMA, or any successor authority

FSMA	the Financial Services and Markets Act 2000, as amended
GAAP	generally accepted accounting practices
General Meeting	the general meeting of the Company to be held at 39 George Street, Edinburgh EH2 2HN at 9.30 a.m. on 7 December 2017 and any adjournment thereof
Group	the Company, the Existing Property Subsidiary and the New Property Subsidiary and any other direct or indirect subsidiary (as that term is defined in the Companies Act) of the Company from time to time
HMRC	HM Revenue & Customs
IFRS	international financial reporting standards
Initial Admission	the admission of the New Shares issued pursuant to the Share Issue and the Vendor Issue to the Official List and to trading on the Main Market
Initial Placing	the initial placing of New Shares at the Share Issue Price by the Placing Agent as described in Parts 4 and 12 of this document
Intermediaries	the entities listed in paragraph 9 of Part 11, together with any other intermediary that is appointed by the Company in connection with the Intermediaries Offer after the date of this document
Intermediaries Offer	the offer of New Shares by the Intermediaries as described in Part 4 of this document
Intermediaries Offer Adviser	Scott Harris UK Limited, a company incorporated in England and Wales with registered number 05118869
Intermediaries Terms and Conditions	the terms and conditions on which each Intermediary has agreed to be appointed by the Company to act as an intermediary under the Intermediaries Offer and pursuant to which Intermediaries may apply for New Shares under the Intermediaries Offer, details of which are set out in Part 4 of this document
Investment Company Act	the United States Investment Company Act of 1940, as amended from time to time
Investment Management Agreement	the investment management agreement between the AIFM, the Manager and the Company a summary of which is set out in paragraph 8.3 of Part 11 of this document
ISA	Individual Savings Account for the purposes of section 694 of the Income Tax (Trading and Other Income) Act 2005
Japan	Japan, its cities, prefectures, territories and possessions
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 Management Agreement
Listing Rules	the listing rules made by the FCA under Part VI of the Financial Services and Markets Act 2000, as amended from time to time

London Stock Exchange	London Stock Exchange plc
Main Market	the London Stock Exchange's main market for listed securities
Manager or Ediston	Ediston Properties Limited, a company incorporated in England and Wales with registered number 04910369
Market Abuse Regulation	Regulation (EU) 596/2014, all delegated regulations and implementing regulations made thereunder and any legislation made in the United Kingdom in connection with the entry into force of such regulation
Market Value	the aggregate of the market value of the Properties comprised in the Existing Portfolio as at 31 October 2017 as set out in the Valuer's report in Part 7 of this document, or the aggregate market value of part only of such portfolio, as the context requires
Maximum Excess Application Number	the maximum number of New Shares to be allotted under the Excess Application Facility
Minimum Issue Proceeds	the minimum net proceeds of the Share Issue being £37.1 million
Money Laundering Regulations	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
NAV or 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
NAV per Share	the prevailing net asset value per Ordinary Share from time to time, calculated in accordance with the Company's normal accounting policies
New Facility	the ten year term loan facility for up to £54.16 million to be provided to the New Property Subsidiary by Aviva pursuant to the terms of the New Facility Agreement
New Facility Agreement	the new facility agreement between Aviva, in various capacities, and the New Property Subsidiary in relation to the New Facility, a summary of which is set out in paragraph 8.6 of Part 11 of this document
New Portfolio	the four retail warehouse parks held by the SPVs as at the date of this document
New Properties	the properties comprised in the New Portfolio, as more fully described in Part 6 and Part 7 of this document or any of them as the context requires (each a "New Property")
New Property Subsidiary	EPIC (No. 2) Limited, a company incorporated in England and Wales with registered number 10978359
New Shares or New Ordinary Shares	the new Ordinary Shares to be issued by the Company pursuant to the Proposals
New Subsidiary Investment Management Agreement	the investment management agreement between the New Property Subsidiary and the Manager to be entered into
Non-PID Dividend	any dividend other than a PID received by a shareholder of the Company

Offer for Subscription	the offer for subscription of New Shares at the Share Issue Price by the Company as described in Part 4 of this document
Offer for Subscription Application Form	the application form for use in connection with the Offer for Subscription
Official List	the Official List of the UK Listing Authority
Open Offer	the offer to Qualifying Shareholders, constituting an invitation to apply for New Shares under the Share Issue, on the terms and subject to the conditions set out in Part 14 of this document and in the case of Qualifying Non-CREST Shareholders only, the Open Offer Application Form and as more fully described in Part 4 of this document
Open Offer Application Form	the personalised application form on which Qualifying Non-CREST Shareholders may apply for New Shares under the Open Offer
Open Offer Entitlement	the entitlement of Qualifying Shareholders to apply for New Shares under the Open Offer as set out in Parts 4 and 14 of this document
Ordinary Shareholders or Shareholders	holders of the Ordinary Shares
Ordinary Shares or Shares	ordinary shares of one penny each in the capital of the Company
Overseas Investor	a person who is not resident in, or who is outside or who has a registered address outside, the United Kingdom
PID	a dividend received by a shareholder of the Company in respect of profits and gains of the Tax Exempt Business of the UK resident members of the Group or in respect of the profits or gains of a non-UK resident member of the Group insofar as they derive from its UK qualifying rental business
Placees	the persons to whom the New Shares are issued pursuant to the Initial Placing or the Placing Programme
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 AIFM, the Sponsor and the Placing Agent, a summary of which is set out in paragraph 8.1 of Part 11 of this document
Placing Programme	the proposed subsequent programme of placings of New Shares by the Placing Agent from 11 December 2017 to 19 November 2018 as described in this document
Placing Programme Admission	any Admission under the Placing Programme
Placing Programme Issue	any issue of New Shares under the Placing Programme, as described in Part 5 of this document
Placing Programme Price	the price at which New Shares will be issued under the Placing Programme, as determined by the Board at the

	time of each Placing Programme Issue as described in Part 5 of this document
Properties	the properties comprised in the Property Portfolio, as more fully described in Part 6 and Part 7 of this document, or any of them as the context requires (each a “Property”)
Property Portfolio	the direct property assets of the Group from time to time
Proposals	the Acquisition, including the issue of up to 150 million New Shares pursuant to the Share Issue and the Vendor Issue and the issue of up to 60 million New Shares pursuant to the Placing Programme as described in this document
Prospectus	this document
Prospectus Directive	Directive 2003/71/EC (and the amendments thereto)
Prospectus Rules	the prospectus rules made by the FCA under Part VI of the Financial Services and Markets Act 2000, as amended from time to time
Qualifying CREST Shareholders	Qualifying Shareholders holding Existing Shares in CREST
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Existing Shares in certificated form
Qualifying Property Rental Business	a property rental business fulfilling conditions in section 529 of the CTA 2010
Qualifying Shareholders	holders of Existing Shares on the register of members of the Company at the Record Date other than Excluded Shareholders
Record Date	the close of business on 17 November 2017
Red Book	RICS Valuation – Global Standards 2017, Incorporating the International Valuation Standards and RICS Professional Standards to January 2014 (revised April 2015)
REIT	a company qualifying as a real estate investment trust under Part 12 of the CTA 2010
Regulation S	Regulation S under the US Securities Act
Regulatory Information Service or RIS	a regulatory information service that is on the list of regulatory information services maintained by the FCA
Relevant Member State	each member State of the European Economic Area which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
Relevant Registered Shareholder	a Shareholder who holds all or some of the Ordinary Shares that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
Rental Guarantee	the cash amount of £1.96 million which will be retained from the cash consideration on the acquisition of the New Properties situated at Widnes, Hull and Prestatyn and held in an escrow account

Residual Business	the business of the Company which is not Qualifying Property Rental Business
Resolution 1	the ordinary resolution to be proposed at the General Meeting to approve the Acquisition
Resolution 2	the ordinary resolution to be proposed at the General Meeting to approve the allotment of New Shares pursuant to the Share Issue and the Vendor Issue
Resolution 3	the ordinary resolution to be proposed at the General Meeting to approve the allotment of New Shares pursuant to the Placing Programme
Resolution 4	the special resolution to be proposed at the General Meeting to approve the allotment of New Shares pursuant to the Share Issue and the Vendor Issue on a non pre-emptive basis
Resolution 5	the special resolution to be proposed at the General Meeting to approve the allotment of New Shares pursuant to the Placing Programme on a non pre-emptive basis
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 Proposals or the Prospectus is sent or made available to a person in that jurisdiction
Shareholders	holders of the Ordinary Shares
Share Issue	the issue of New Shares at the Share Issue Price under the Open Offer, Initial Placing, Offer for Subscription and Intermediaries Offer as described in Part 4 of this document
Share Issue Price	the issue price of 111.75 pence per New Share (being a premium of 1.4 per cent. to the Adjusted NAV per Share as at 31 October 2017) under the Share Issue and the Vendor Issue
Sponsor or Dickson Minto	Dickson Minto W.S.
SPVs or SPV Group	each of Stadium (Barnsley) Limited, Stadium Widnes Limited, Kingston Upon Hull Retail Park Limited and Stadium (Prestatyn) Limited together with their direct and indirect subsidiary undertakings
Subsidiary Investment Management Agreement	the investment management agreement between the Existing Property Subsidiary and the Manager dated 5 May 2015, as amended from time to time
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
Tax Code	the US Internal Revenue Code of 1986, as amended from time to time
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UKLA or UK Listing Authority	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
Underlying Applicants	investors who apply to an Intermediary to acquire New Shares under the Intermediaries Offer
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 Person	has the meaning given in Regulation S of the US Securities Act
US Securities Act	the United States Securities Act of 1933, as amended from time to time
Value Added Tax or VAT	value added tax
Valuer	Knight Frank LLP
Vendor Issue	the issue of the Vendor Shares
Vendor Shares	the Ordinary Shares to be issued to Stadium Parkgate (Holdings) Limited and Stadium Retail (Holdings) Limited in under the Vendor Subscription and Orderly Conduct Agreement
Vendor Subscription and Orderly Conduct Agreement	the agreement whereby two of the Vendors (namely Stadium Parkgate (Holdings) Ltd and Stadium Retail (Holdings) Limited) have agreed to (i) subscribe for the Vendor Shares (ii) subject to customary exceptions, not to dispose of their respective Vendor Shares for 12 months following the date of allotment and (iii) only dispose of such Ordinary Shares in the following 12 month period after providing three business days' notice to the Company
Vendors	Stadium Parkgate (Holdings) Limited, Stadium Retail (Holdings) Limited and Stadium Retail Investments (2002) Limited, being the vendors of the shares in the SPVs as set out in the Acquisition Agreement (each a "Vendor")
Widnes Retail Park	the retail warehouse park situated in Widnes

PART 1

THE COMPANY

Introduction

Ediston Property Investment Company PLC is a closed-ended investment company the assets of which are managed by Ediston Properties Limited. The Company invests in UK commercial properties to achieve its objective of providing Shareholders with an attractive level of income together with the prospect of income and capital growth. The Ordinary Shares are listed on the Official List and traded on the Main Market. The Company was launched in October 2014. It currently holds 12 properties through the Existing Property Subsidiary, and as at 31 October 2017, the Group had gross assets of £204.7 million. As at 17 November 2017, the Company had approximately £30.4 million of cash of which approximately £20 million was available for investment (excluding funds required for dividend payments, working capital and capital expenditure).

The Board announced on 6 October 2017 that, in line with the stated objective to continue to grow the Company, the Company had entered into heads of terms and commenced detailed due diligence in relation to the acquisition of four retail warehouse parks. As announced on 15 November 2017 the Company has now entered into the conditional Acquisition Agreement to acquire the New Properties. The Acquisition is to be effected by the New Property Subsidiary acquiring the entire issued share capital of each of the SPVs which currently hold the New Properties. The aggregate amounts payable to the Vendors, on completion of the Acquisition will be £144 million (such payment being split between consideration for (i) the entire issued share capital of each of the SPVs; and (ii) the intercompany debts owed by the SPVs to certain of the Vendors which shall be novated to the Company and the New Property Subsidiary).

The aggregate amount payable to the Vendors for the New Portfolio will be satisfied by a combination of:

- cash from the Company's existing cash resources;
- a new loan facility with Aviva (the "**New Facility**");
- the proceeds of an open offer to Existing Shareholders, an initial placing, offer for subscription and an intermediaries offer (the "**Share Issue**"); and
- the issue of New Shares to two of the Vendors (the "**Vendor Issue**").

In order to complete the Acquisition the Minimum Issue Proceeds (being £37.1 million) will have to be raised under the Share Issue.

In the event the Minimum Issue Proceeds (being £37.1 million) are raised under the Share Issue it is expected that the remaining consideration would be satisfied by way of the issue of approximately 32.66 million Vendor Shares (being equal to approximately £36.5 million), up to £54.16 million being drawn down under the New Facility and the balance would be satisfied by the existing cash resources of the Company.

In the event that the Acquisition completes, it will result in a substantial increase in the size of the Property Portfolio to £317.59 million.

The Board believes that the Manager is also well positioned to identify further attractive property acquisition opportunities. Therefore the Board is also proposing to implement a 12 month Placing Programme following the completion of the Acquisition pursuant to which the Board will have the ability to issue further New Shares until November 2018. The Placing Programme will provide a means of raising more equity capital when suitable properties are identified thereby mitigating the risk of the Company receiving lower returns on significant cash balances awaiting investment. It will also enable the Company to introduce further borrowings, from time to time, against the tranches of equity issued. The net proceeds of the Placing Programme and any proceeds raised under the Share Issue in excess of that required to finance the Acquisition will be used by the Group to fund acquisitions of, and investments in, further properties in accordance with the Company's investment policy.

Benefits of the Proposals

The Board believes that the Proposals offer significant benefits for all Shareholders as noted below.

- The rental income generated from the New Portfolio is accretive to the overall income per Share and should therefore enhance the dividend cover over the medium term from its already fully covered position.
- Over the past 18 months the Manager has looked at a number of different opportunities all of which would have been dependent on raising equity in advance with the risk of income dilution before the capital was invested. The proposed Acquisition significantly reduces that risk.
- The Acquisition will increase the Group's exposure to the retail warehouse sector which the Board and the Manager consider offers attractive value relative to other sectors within the property market.
- The Acquisition will further diversify the tenant base and geographical exposure of the Property Portfolio, with the new leases expected to reduce the impact of the Group's exposure to its top ten tenants from 62 per cent. to 46 per cent. of total rental income.
- The Acquisition is expected to improve the quality of income by increasing the weighted average unexpired lease term in the Property Portfolio from 6.19 years to 6.78 years.
- Existing Shareholders will benefit from lower transaction costs through the acquisition of the SPVs which currently hold the New Portfolio compared to the typical costs of acquisition for UK commercial real estate.
- The Acquisition will introduce a number of asset management opportunities which should enhance returns to Shareholders, being consistent with the Company's and the Manager's investment style and income strategy. The Manager believes that there is credible growth potential within the New Portfolio and scope to improve the income stream of each retail warehouse park.
- In the event that the Company raises proceeds in excess of the minimum required to complete the Acquisition or issues New Shares under the Placing Programme, the Company will have increased cash resources that can be deployed in other property acquisitions or other asset management opportunities in line with the Manager's active style of investment management.
- The Share Issue and the subsequent Placing Programme provide the opportunity to increase the market capitalisation of the Company which should increase liquidity in the Ordinary Shares and the attractiveness of the Company to new investors.
- Increasing the Company's issued share capital through the Share Issue and the Vendor Issue, and the subsequent Placing Programme will also result in the fixed costs of the Group being spread over a larger asset base and therefore the ongoing charges ratio of the Group would be reduced. As part of the Proposals the AIFM and the Manager have agreed to reduce the future management fees payable on any cash available for investment (being all cash held by the Group except for cash required for working capital and capital expenditure) by 50 per cent. while such cash remains uninvested.

Investment opportunity and market outlook

The UK commercial property market's worries in relation to Brexit and a rise in interest rates have not stopped demand for UK commercial property investments remaining strong from both domestic and international investors. However, yields in the industrial and distribution sectors and those for long lease income have hardened to an extent that these properties now look fully priced. The Manager and the Board believe that value can be found elsewhere with retail warehousing a clear example.

The Board therefore believes that the market environment remains sufficiently attractive to support raising new capital to assist the Company to grow and achieve its investment objective, which is to provide an attractive level of income together with the prospect of income and capital growth. The Board is also of the view that the current market conditions are especially conducive to the skill set of the Manager where careful property selection, coupled with innovative and creative asset management, should add further to Shareholders' returns.

The confidence behind the proposed transaction is built on the knowledge of the Manager who is an experienced investor in and developer of retail warehouse assets across the UK. It believes it is the right time to increase investment in this sector for the following reasons.

- The sector is currently experiencing low vacancy rates (currently 5.1 per cent. versus 10.0 per cent. in 2013).
- There are good prospects for rental growth and inward yield movement.
- New retail warehouse development is likely to be restricted by planning authorities looking to protect town centres.
- Retail warehousing offers a flexible sales platform which can assist with retailers' online sales strategy.

The Manager believes the retail warehouse sector is attractively priced following the hardening of yields in the industrial and logistics sectors. It believes there is increased investor interest and expects this to have a favourable impact on yields.

Further details of the Proposals

In order to complete the Acquisition, the Company is proposing to raise at least £37.1 million pursuant to the Share Issue by issuing New Shares at the Share Issue Price of 111.75 pence per New Share representing a 1.4 per cent. premium to the Adjusted NAV per Share as at 31 October 2017. The Company is also proposing to issue a maximum of 32.66 million Vendor Shares in satisfaction of the consideration payable by the Company for the novation of a tranche of the inter company debts owed to certain of the Vendors. In the event that only the Minimum Issue Proceeds are raised under the Share Issue, the value of the Vendor Issue will equate to approximately 25 per cent. of the value of the New Portfolio. In the event that proceeds in excess of the Minimum Issue Proceeds are raised under the Share Issue, the Company and the Vendors will discuss the possibility of scaling back the Vendor Issue. The Board will also utilise its existing cash reserves which are available for investment of up to approximately £20 million and it has entered into the New Facility Agreement which will enable the Group to borrow up to £54.16 million in addition to the Existing Facility Agreement. As part of the Acquisition the Board intends to increase the Group's borrowings on similar terms to the Existing Facility. However, the Group's gearing is expected to remain at broadly 30 per cent. of gross assets, and will in any event remain within the existing limit in the Company's investment policy of 35 per cent. Completion of the Acquisition is expected to occur on 8 December 2017 immediately upon Initial Admission.

Under the Vendor Subscription and Orderly Conduct Agreement, Stadium Parkgate (Holdings) Limited and Stadium Retail (Holdings) Limited have each agreed (i) subject to customary exceptions not to sell their respective Vendor Shares for a period of 12 months from the date of allotment and (ii) to a further 12 month 'orderly conduct' period whereby each Vendor will provide notice to the Company in the event it wishes to sell its Vendor Shares within such further 12 month period.

The Company is proposing the subsequent Placing Programme to enable the Company to raise additional capital in the period from 11 December 2017 to 19 November 2018 when it identifies properties that are suitable for acquisition. This should enable the Manager to make a series of property acquisitions whilst also mitigating the impact on the Company of receiving lower returns on significant cash balances awaiting investment by enabling cash to be raised as and when required. The authority proposed to be taken at the General Meeting will give the Board the power to issue up to a maximum of 60 million New Shares under the Placing Programme. For the avoidance of doubt, any New Shares not taken up under the Share Issue will not be available for issue pursuant to the Placing Programme.

The Proposals are conditional on, *inter alia*, the Shareholder authorities being granted for the Acquisition and for the issue of New Shares, on a non pre-emptive basis, pursuant to the Share Issue, the Vendor Issue and the Placing Programme. The Board has therefore also published the Circular convening the General Meeting. For the reasons set out above, the Board has recommended that Shareholders vote in favour of the Proposals at the General Meeting.

If the conditions to the Share Issue and the Acquisition are not satisfied, the Acquisition will not complete. In this event no funds will be drawn down under the New Facility and any monies raised

under the Share Issue will be returned to investors. The Manager would then source other properties suitable for acquisition and the Company would seek to raise further funds when required over the period to 19 November 2018 by way of share issuance under the Placing Programme. For the avoidance of doubt, the Manager will continue to source further properties and seek to make use of the Placing Programme whether or not the Acquisition completes.

Further details of the Share Issue, the Vendor Issue and the Placing Programme are set out in Parts 4 and 5 respectively of this document.

Investment performance

Since the launch of the Company, the Manager and the Board have focused on investing in a diversified portfolio of UK commercial properties. At the date of this document, the Existing Portfolio comprises 12 properties in the office, retail warehousing and leisure property sectors and has an aggregate Market Value, as at 31 October 2017, of £173.59 million.

As at 30 September 2017, the Company has generated a property income return of 16.98 per cent. from its Properties since launch and a total return of 27.28 per cent. since launch.

As at 31 October 2017 the unaudited Adjusted NAV per Share was 110.21 pence. The Company has paid aggregate interim dividends of 5.5 pence per annum per Share in respect of the period from 1 October 2016 to 17 November 2017 (the latest practicable date prior to the publication of this document).

The Property Portfolio

The Existing Portfolio

The Existing Portfolio comprises 12 commercial properties which are located across the UK and have an aggregate Market Value of £173.59 million as at 31 October 2017. The Existing Portfolio generates a current contracted net annual rent of approximately £12.12 million.

According to the Dun and Bradstreet failure score, 97.83 per cent. of the Existing Portfolio's income is from tenants rated as having minimum or low risk of failure. The average unexpired lease term to earliest termination of the occupational leases of the Existing Portfolio (weighted by the current contracted annual rent) is approximately 6.19 years and all of the rent review provisions in the occupational leases of the Existing Properties are upwards only or subject to fixed or indexed increases.

The New Portfolio

The Company and the New Property Subsidiary have entered into the Acquisition Agreement to acquire the entire issued share capital of each of the SPVs. The New Portfolio is comprised of four retail warehouse parks with an aggregate Market Value of approximately £144 million as at 31 October 2017. The New Portfolio generates a current net annual rent of approximately £9.28 million (inclusive of rental guarantees), being a net initial yield of 6.02 per cent. In the view of the Manager the New Properties are not considered to be generating rent which is in excess of their estimated rental value.

According to the Dun and Bradstreet failure score, 93.73 per cent. of the New Portfolio's income is from tenants rated as having a minimal or low risk of failure. The average unexpired lease term to the earliest termination of the occupational leases of the New Properties (weighted by current contracted annual rent) is approximately 7.58 years.

The Combined Portfolio

The Combined Portfolio will comprise 16 properties with an aggregate Market Value of approximately £317.59 million (on the basis of the valuations of the Existing Portfolio and the New Portfolio as at 31 October 2017). The Combined Portfolio would generate a net annual rent of approximately £19.73 million (inclusive of rental guarantees), being a net initial yield of 5.80 per cent. (calculated in accordance with the Red Book methodology) and an equivalent yield of 6.35 per cent.

The average unexpired lease term of the occupational leases of these properties (weighted by current gross annual rent) would be approximately 6.78 years.

The Directors believe that the Combined Portfolio will be accretive to the level of dividend cover and will provide a number of asset management opportunities which should enhance the income profile and the capital value of the assets.

Further details of the Existing Portfolio and the Combined Portfolio are set out in Part 6 of this document. The valuation report relating to the Existing Portfolio and the New Portfolio is set out in Part 7 of this document.

Gearing and borrowings

The Existing Facility

In May 2015 the Group put in place a £40 million ten year term loan facility with Aviva which has been fully drawn down. The interest rate on this loan was fixed at 3.09 per cent. for the duration of the loan. In January 2016, an extension of £12.42 million to the existing debt facility was agreed with Aviva at an all-in interest rate of 2.95 per cent. and in June 2017 an extension of £4.5 million to the existing debt facility was agreed with Aviva at an all-in interest rate of 2.22 per cent., providing a blended 2.99 per cent. rate over all borrowings.

The Group has drawn down, in aggregate, approximately £56.92 million and its gearing currently represents approximately 28 per cent. of the Group's gross assets which is in accordance with the Company's investment policy.

The New Facility

The New Property Subsidiary entered into the New Facility Agreement with Aviva on 15 November 2017 the utilisation of which is conditional upon, *inter alia*, the completion of the Acquisition and the satisfaction of the conditions precedent (which are customary for a facility of this nature). The New Facility is in addition to the Existing Facility and consists of a £54.16 million ten year term loan facility. Although as part of the Acquisition the Board intends to increase the Group's borrowings, the Group's gearing is expected to remain at broadly 30 per cent. of gross assets. Depending on the extent of the proceeds from the Share Issue, gearing may be increased to 35 per cent., being the maximum gearing under the Company's investment policy for a period but this is not expected to be the gearing level for the Group over the longer term.

For illustrative purposes only and on the assumption that only the Minimum Issue Proceeds are raised under the Share Issue the maximum amount under the New Facility is required to be drawn down, the Group's maximum level of borrowings (the Existing Facility plus the New Facility) would be approximately £111.08 million, and the maximum gearing, once the New Portfolio has been acquired, would be approximately 34.27 per cent. The New Property Subsidiary will only draw down funds under the New Facility on the completion of the Acquisition.

Further details of the Existing Facility Agreement and the New Facility Agreement are set out in paragraphs 8.5 and 8.6 of Part 11 of this document.

Dividends

Dividend policy

Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to continue to pay an attractive level of dividend income to Shareholders on a monthly basis. Whilst not forming part of its investment policy, the Company has targeted and paid an annual dividend of not less than 5.5 pence per Share since launch in October 2014. The dividend has been fully covered since April 2016. The Board believes the Acquisition will enhance the dividend cover over the medium term.

As announced on 15 November 2017, the Board intends to increase the annualised dividend level by 4.5 per cent. from 5.5 pence per Ordinary Share to 5.75 pence per Ordinary Share, in the absence of unforeseen circumstances. The new dividend level commences with the dividend in respect of the month ending 31 January 2018 which will be paid in February 2018. In determining the level of future dividends, the Board will seek to ensure that any dividend is sustainable over the medium term taking into account any expected increase in dividend cover and the projected income performance of the Company.

Payment of dividends

The Board anticipates continuing to pay monthly dividends. The Company has declared a dividend of 0.4583 pence per Share for the month ending 31 October 2017 which will be paid on 30 November 2017 to Shareholders on the register on 10 November 2017. The Company has also declared a dividend of 0.4583 pence per Share for the month ending 30 November 2017 which will be paid on 29 December 2017 to Shareholders on the register on 1 December 2017. New investors will therefore not be entitled to either of these dividends. Save for any other dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant New Shares, the New Shares will rank *pari passu* with the existing Ordinary Shares. The New Shares issued pursuant to the Share Issue will be eligible to receive the dividend for the month ending 31 December 2017 which is expected to be paid in January 2018.

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 (“**PIDs**”). In accordance with the REIT conditions, it is therefore expected that a proportion of dividends will be paid in the form of Property Income Distributions and the remainder as “non-PIDs”, which are treated as ordinary corporate dividends. 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 10 of this document.

There are no assurances that the dividends referred to above will be paid or that the Company will pay any dividends.

Share buybacks

The Directors have authority to buy back up to 19,301,713 Shares and will continue to seek annual renewal of this authority from Shareholders. The Company has not bought back any Shares under this authority and is unlikely to do so while the Company is in a growth period. However, any buyback of Shares will be made subject to the Companies Act 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.

Purchases of Shares will only be made through the market for cash at prices below the prevailing published net asset value of a 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 Ordinary Shares which have been bought back as treasury shares for future sale and may cancel any such Ordinary Shares. It is the intention of the Board that any Ordinary 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 Ordinary Share (as determined by the Directors at or shortly before such sale). During the period when the Company holds Ordinary Shares as treasury shares, the rights and obligations in respect of those Ordinary Shares may not be exercised or enforced by or against the Company. The Company may not vote any Ordinary Shares whilst they are held as treasury shares. No dividends can be declared and no other distribution of the Company’s assets (including on a winding up) can be made on Ordinary Shares whilst they are held as treasury shares.

Capital structure and duration

The Company’s share capital structure consists solely of Ordinary Shares, which are listed on the Official List and traded on the Main Market. The Company does not have a fixed life.

Taxation status of the Group

The Group currently qualifies as a UK REIT and will continue to do so following the Acquisition. It has a tax efficient corporate structure for UK tax purposes on the basis that a UK REIT does not suffer UK corporation tax on the profits (income and capital gains) derived from its qualifying property rental business in the UK and elsewhere, provided that certain conditions are satisfied.

Group structure

The Existing Property Subsidiary

The Existing Property Subsidiary acquires properties in accordance with the Company's investment policy. The Company has agreed to fund the Existing Property Subsidiary by way of share capital in amounts to be determined from time to time. The Existing Property Subsidiary is also party to the Subsidiary Investment Management Agreement and is the borrower of the Existing Facility.

The Existing Property Subsidiary is a private limited company registered in England and Wales, which is wholly owned by the Company. Its directors are the same as those of the Company and the Company is able to control the investment policy of the Existing Property Subsidiary to ensure that it complies with the investment policy of the Company and the investment restrictions that apply to the Company. Further details of the Existing Property Subsidiary are set out in paragraph 1.2 of Part 11 of this document.

The New Property Subsidiary

The New Property Subsidiary will acquire properties in accordance with the Company's investment policy. It is intended that the New Property Subsidiary will acquire the New Portfolio. The Company has agreed to fund the New Property Subsidiary by way of share capital in amounts to be determined from time to time. The New Property Subsidiary is also party to the New Subsidiary Investment Management Agreement and will be the borrower of the New Facility.

The New Property Subsidiary is a private limited company registered in England and Wales, which is wholly owned by the Company. Its directors are the same as those of the Company and the Company is able to control the investment policy of the New Property Subsidiary to ensure that it complies with the investment policy of the Company and the investment restrictions that apply to the Company. Further details of the New Property Subsidiary are set out in paragraph 1.3 of Part 11 of this document.

Additional group entities on the completion of the Acquisition

The SPVs are all private limited companies registered in England and Wales. Subject to the completion of the Acquisition, the entire issued share capital of each SPV will be owned by the New Property Subsidiary. One of the SPVs currently holds the entire issued share capital of Stadium Prestatyn (South) Limited which will also be acquired by the Group as part of the Acquisition. On completion of the Acquisition, the SPVs, together with any subsidiaries, will be managed by the Manager with the objective of holding the New Properties in accordance with the investment policy of the Group and subject to the overall supervision and direction of the Board. It is currently envisaged that each of the SPVs will be wound up shortly after Initial Admission in order to have a more efficient group structure. The New Property Subsidiary will then hold each of the New Properties directly.

Further subsidiaries and investment structures

Whilst the Existing Property Subsidiary and the New Property Subsidiary are expected to hold the majority of the assets in the Property Portfolio, the Group's structure will be reviewed at the time of any future proposed acquisition of property assets, 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 Company may, without limit, incorporate further subsidiaries or enter into joint venture arrangements 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. The Group will also be permitted to forward fund purchases of properties, make development loans and acquire options over properties.

PART 2

INVESTMENT POLICY AND INVESTMENT STRATEGY

Investment objective and policy

Investment objective

The Company seeks to provide investors with an attractive level of income together with the prospect of income and capital growth.

Investment policy

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

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

The Group invests predominantly in income producing investments. Investment decisions are 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 Group does 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 is also 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 Group 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 Group 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. Pre-let 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 Group is fully invested (including drawdown of available debt facilities), the Group is not 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 Group for that financial year.

The Group 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 Group'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 strategy

Building the Property Portfolio

In building its investment portfolio, the Company has targeted (and will continue to target) core and core plus assets across the UK. The typical lot size has been £5 million to £30 million to date, but this range will increase to £10 million to £50 million following the acquisition of the New Portfolio. However, the Manager will not be precluded from acquiring assets which fall outwith this range.

Where risk can be controlled, the Company also targets 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 seeks, wherever possible, to identify assets which provide the possibility to exploit market mispricing.

The Manager is not constrained by sectoral or geographical benchmarking but concentrates on market segments and individual properties which it believes will outperform over the medium to long 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 seeks 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 typically targets 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 Portfolio IRR target is typically 10.00 per cent. per annum. The Manager is not precluded from acquiring assets which have short leases and therefore income streams below the market average, if the Manager 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 Manager in this area to be strong and a key attribute for delivering performance.

Investments will continue to be sought in the Greater London, wider South East and regional markets. Retail warehousing, which can offer core income often along with the ability to enhance returns through controlled development and asset management, is also targeted. Regional offices are likely to feature in the Property Portfolio due to their positive rental growth prospects in the light of the very low levels of supply of new and vacant grade A office space. Investment assets in tier two towns and cities which offer higher yield will also be pursued, although investments in the core centres of such towns are likely to be more attractive. Industrial, which can offer a good income return, will also be considered although the Manager believes that pricing in some areas has become too strong. Other commercial assets such as hotel, leisure and student residential are considered as these sectors can offer long leases, often with indexation or fixed rental uplifts, secured against good covenants. The Manager aims to avoid institutional investment trends but seeks to acquire assets in the best performing subsectors of the market which can benefit from active management initiatives to improve income and capital values.

Asset origination and sourcing

Through its extensive contacts with agents, advisers and landlords, the Manager 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".

The due diligence phase commences when suitable opportunities are identified. 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 is carefully assessed for potential risks from, *inter alia*, legal, environmental, income and building fabric perspectives. A valuation is carried out by an independent valuer and the contribution which the asset would make to the Company's overall portfolio is also analysed.

At the same time a detailed business plan is prepared on the property which examines the asset in detail and highlights any areas which can be exploited to deliver performance. Where the business plan requires it, the aim will be to try and speak with all tenants, planning authorities, neighbouring landlords and occupiers, utility providers, planning consultants, agents and any other adviser, organisations or

individuals who might have knowledge to assist the investment analysis. This process helps assist the Manager to understand fully the potential drivers of performance of the asset and to thoroughly interrogate the key objectives of the business plan. This key process of acquiring any property for the Company is detailed, robust, consistent and involves a minimum of two investment professionals within Ediston's organisation.

Only once the Manager is satisfied that the fundamental due diligence has been 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 Manager identifies and implements 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 over 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 four assets which means that every asset is intensively managed. This ratio compares favourably with other mainstream institutional real estate managers. Further, the Manager comprises a team of investment professionals experienced in both institutional and property company sectors. It is not unusual for more than two investment professionals, each with their own specialism, to be involved with the delivery of a business plan. This allows the Manager to intensively manage the assets to maximise performance.

The Manager 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 Manager is a well-resourced business with an extensive network of agents and advisers able to assist in providing access to a healthy pipeline of investment opportunities on both an off market and on market basis. The team's diverse experience means Ediston has numerous direct routes into large organisations holding property investments and has been involved in acquiring £105 million of commercial real estate for clients over the past 12 months. In the event investment opportunities arise which are in accordance with the Company's investment policy and deemed suitable for the Company, the Company has a right of first refusal on each of these opportunities provided they are located outwith 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 highlights key risks on all properties. These key risks are highlighted in the due diligence and purchase reports to the Board and monitored on a quarterly basis along with gearing levels, and other criteria such as lease expiries, tenant covenants and exposure, voids and rent reviews and debt covenants.

Sustainability

Sustainability is relevant in considering suitable investments for the Company and is a factor considered by the Manager when analysing risk. The Manager also seeks to be aware of the need for buildings to deliver the future dynamic requirements of occupiers.

PART 3

DIRECTORS, MANAGEMENT AND ADMINISTRATION

Directors

The Directors, all of whom are non-executive and independent of the AIFM and Manager, are responsible for the determination of the investment policy of the Company and the overall supervision of the Company. The Directors are as follows:

William Hill (Chairman) qualified as a Chartered Surveyor with Drivers Jonas in 1985. He left in 1989 to join Schroders and became head of its real estate investment division in 1991. He successfully grew the business to over £10 billion of assets under management. He also established a number of new business lines 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 Investment Management Ltd, part of the Swiss Life Group of Companies and a director of the Chartered Surveyors Training Trust. He is a member of the investment committees/boards of Mayfair Capital, Ashby Capital, The Worshipful Company of Goldsmiths, Stanhope Capital and Guy's and St Thomas' Charity. He is a past chairman of the Association of Real Estate Funds and immediate past master of the Worshipful Company of Chartered Surveyors.

Robin Archibald has over 30 years experience of working in the corporate finance and corporate broking industries, including roles with Samuel Montagu, SG Warburg Securities, NatWest Wood Mackenzie and with Winterflood Investment Trusts, where he was head of corporate finance and broking for ten years before retiring in 2014. He qualified as a chartered accountant with Touche Ross in 1983. Since the early nineties, Robin 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 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 and he was appointed to the successor company board as audit chairman. He is also a non-executive director of Capital Gearing Trust plc since May 2015, Henderson European Focus Trust since March 2016, and most recently of Shires Income since May 2017. Robin was also chairman of the Stewart Ivory Financial Education Trust for three years until September 2017.

Robert Dick qualified as a member of The Institute of Chartered Accountants of Scotland (ICAS) in 1980 and has over 30 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 the Group's property development business for eight years and a trustee of the group's pension scheme for 15 years, including 11 years as Chairman. Robert Dick led the CALA team which completed a successful MBO in 1999, delisting the Company and taking it private. Since leaving CALA in 2008 he has worked with a number of businesses as investor, mentor and non-executive director. He was a member of the ICAS Council from 2009 to 2015 and chaired one of the ICAS Boards from 2009 to 2012.

Jamie Skinner has the client relationship role for a range of key segregated accounts at Martin Currie Investment Management Limited as well as responsibility for all the firm's closed-ended and off shore funds. In addition, he is a director of Martin Currie Inc. and the Martin Currie Japan Absolute Return Fund. He was previously appointed Head of Client Services in 2004, having held primary responsibility for Martin Currie's clients outside of North America for five years. He joined Martin Currie from Cazenove & Co., where he was managing director of the company's Johannesburg office, having moved to South Africa in 1995 to develop Cazenove's corporate finance activity. His role was to generate new business for the firm and service its existing clients. Jamie started with Cazenove in London in 1989 as a corporate finance executive after qualifying as a chartered accountant with Coopers & Lybrand. He is also a member of the Chartered Institute for Securities and Investment.

Corporate Governance

As the Company is listed on the premium segment of the Official List it is required to comply with all of the relevant provisions of the UK Corporate Governance Code issued by the Financial Reporting Council in June 2016 (the “**Code**”) or to explain any non-compliance in its annual reports and accounts.

The Board also considers 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. The Company is a member of the Association of Investment Companies and complies 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 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 William Hill as Chairman. All of the Directors are considered by the Board to be independent of the AIFM and the Manager. 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 Directors, including the Chairman, has been imposed. New Directors receive an induction from the Manager and the Administrator on joining the Board, and all Directors receive other relevant training as necessary.

Senior independent director

In view of its non-executive nature and the requirement under 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 nominations committee. The nominations committee comprises all of the Directors and is chaired by Robin Archibald. 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.

The Company does not have a separate remuneration committee as the Board as a whole fulfils the function of a remuneration committee.

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.

Audit and risk committee

Robert Dick is the chairman of the Company’s audit and risk committee which comprises the full Board. In discharging its responsibilities the audit and risk committee will review the annual and half yearly reports and accounts, the system of internal controls, and the terms of appointment and remuneration of the auditor. The committee is also responsible for evaluating the Company’s risk management procedures. It is also the forum through which the auditor reports to the Board. The audit and risk committee meets at least once a year. The objectivity of the auditor is reviewed by the audit and risk

committee, which also reviews the terms under which the external auditor is appointed to perform non-audit services. The audit committee reviews 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.

Management engagement committee

William Hill is the chairman of the Company's management engagement committee which comprises the full Board. The management engagement committee reviews the appropriateness of the continuing appointment of the Manager and other key service providers, together with the terms and conditions thereof on a regular basis.

Nominations committee

The nominations committee comprises all the Directors and is chaired by Robin Archibald. The committee is convened for the purpose of considering the appointment of new Directors as and when considered appropriate.

Investment committee and the property valuation committee

The investment committee and property valuation committee each comprise the full Board. They are both chaired by William Hill. The investment committee is responsible for authorising all purchases and sales within the Company's portfolio. The property valuation committee is responsible for reviewing the quarterly independent property valuation reports produced by the Valuer 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.

Investment management arrangements

AIFM

The Company has appointed Ediston Investment Services Limited as its alternative investment fund manager pursuant to the AIFM Agreement, the terms of which are set out in more detail below and in Part 11 of this document.

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

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

Under the terms of the AIFM Agreement, the AIFM is also responsible for obtaining and maintaining from the FCA all approvals necessary for the AIFM to be appointed and continue to act as the Company's alternative investment fund manager 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

Launched in 2004, Ediston currently manages around £525 million of property investment and development assets across the UK for institutional investors. It comprises a team of experienced individuals and its finance team and surveying team has experience in both institutional and property company sectors.

Ediston manages two unlisted opportunity funds, with Europa Capital, which seek to invest in UK assets with a typical target IRR in excess of 15 per cent. and equity multiple of 1.5x. Currently Ediston manages approximately £130 million of assets in these funds. Ediston also manages a core property fund for Strathclyde Pension Fund with gross commitments of approximately £120 million. This fund invests exclusively in the Strathclyde region of Scotland and is fully invested.

In its capacity as Manager to the Company, Ediston 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 expiry and, where appropriate, managing refurbishments to increase rental income or capital values. The Manager has appointed Savills (UK) Limited, an experienced third party, to act as managing agents of the Property Portfolio.

The Manager's team comprises 13 property professionals. The key personnel who are responsible for managing the portfolio are:

Danny O'Neill BSc., MRICS, DipPropInv, is founder and Chief Executive of Ediston and has 26 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, including at the time the largest Pooled Property vehicle in the UK. 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. In addition to the Company he has successfully structured numerous opportunity funds and a joint venture LP with a large UK Local Authority. He holds a degree in Land Economics (for which he was awarded the Michael McIndoe prize for the most distinguished graduate of his year), a diploma in property investment and is a qualified Chartered Surveyor.

Calum Bruce BSc (Hons) MRICS, joined Ediston in 2013 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. Calum is fund manager of the Company, having been involved with the management of the Company since its inception, and is principally involved in the sourcing, acquisition and management of investment properties.

Alistair Dickie BSC MRICS, is responsible for securing and delivering investment, development and asset management opportunities and managing existing investment stock, with a particular relevance to the retail warehouse sector. Before joining Ediston, Alastair spent 10 years as Director at Macdonald Estates, where he was responsible for purchasing and developing in excess of £250m of assets and secured consent for over 3 million sq. ft. of retail floor space. Prior to that he worked at Scottish & Newcastle developing hotels, restaurants and pubs throughout the north of England and Scotland. Alastair holds a degree in Land Economics and is a qualified Chartered Surveyor.

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.

Neelum Yousaf BAcc HONs CA MCSI joined Ediston in 2015. Prior to joining Neelum worked for Keysight Technologies, a global electronic measurement business as Senior Financial Accountant. Here she assisted the separation of the company from Agilent Technologies and was responsible for the reporting and administration for the UK and Argentina. Prior to this Neelum spent over six years in private practice. As Financial Controller at Ediston, Neelum is responsible for statutory reporting, cash flow management, performance measurement, fund administration, client reporting, compliance and corporate governance. Neelum qualified as a member of the Institute of Chartered Accountants in 2010. She also became a member of the Chartered Institute of Securities and Investments after qualifying with Merit in 2016 and won the Outstanding Achievement Award. Neelum attended the University of Dundee and graduated with an Honours degree in Accountancy.

The key team is backed up by a further eight real estate professionals with both institutional and property company experience and knowledge of all segments of the UK real estate market.

AIFM Agreement and Investment Management Agreement

The Company has entered into the AIFM Agreement with the AIFM under which the AIFM has been appointed to act as the Company's alternative investment fund manager with responsibility for the portfolio management and risk management of the Group's investments subject to the overall supervision of the Directors. The AIFM 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 AIFM Agreement.

Pursuant to the terms of the Investment Management Agreement, the AIFM has delegated portfolio management services relating to the Company to the Manager on the same terms as the AIFM Agreement. The AIFM 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 advises the Company on the acquisition, management and disposal of the real estate assets in the Property Portfolio.

The AIFM Agreement provides that the Company will pay to the AIFM an annual portfolio management fee of 0.95 per cent. of the net assets of the Company, provided that this fee shall reduce to 0.75 per cent. of the net assets of the Company that are in excess of £250 million. As part of the Proposals, the AIFM and the Manager has agreed to reduce the future management fees payable on any cash available for investment (being all cash held by the Company excluding cash required for working capital and capital expenditure) by 50 per cent. while such cash remains uninvested and the AIFM Agreement has been revised accordingly.

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 Manager as a project manager if it considers it to be in the best interests of the Company to do so. For such work the Manager would receive an appropriate fee (normally approximately 3.5 per cent. of construction costs). To the extent any commissions arise from procuring insurance in respect of the properties held in the Company's portfolio, the Manager would not be entitled to retain such commissions.

The AIFM Agreement and the Investment Management Agreement are terminable by any of the parties to them on 12 months' written notice. The AIFM Agreement and the Investment Management Agreement may be terminated by the Company immediately if the AIFM or the Manager is in material breach of the agreement, guilty of negligence, wilful default or fraud or is the subject of insolvency proceedings. The Investment Management Agreement may also be terminated if there occurs a change of Key Manager under the Investment Management Agreement to which the Board has not given its prior consent. Further details of the AIFM Agreement and Investment Management Agreement are set out in paragraphs 8.2 and 8.3 respectively of Part 11 of this document.

Conflicts of interest

The Manager and its officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In

particular, the Manager 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 Manager will have regard to its obligations under the Investment Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise.

The Manager 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 Manager will use reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Manager 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 Manager 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. In the event investment opportunities arise which are in accordance with the Company's investment policy and deemed suitable for the Company, the Company has a right of first refusal on each of these opportunities provided they are located outwith the region of Strathclyde.

Administration and secretarial arrangements

Maitland Administration Services (Scotland) Limited has been appointed as the administrator and secretary of the Company pursuant to the Administration and Secretarial Agreement. In such capacity, the Administrator is responsible for general secretarial functions required by the Companies 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.

The Administrator is entitled to a fixed fee per annum, increasing annually in line with RPI, which is payable by the Company to the Administrator pursuant to the Administration and Secretarial Agreement. The fee in respect of the year ended 31 October 2017 was £82,204. A further fee of 0.05 per cent. per annum of the total assets of the Company that are in excess of £100 million, subject to a cap of £97,617 increasing annually in line with RPI, is payable by the Company to the Administrator.

The Company utilises the services of Computershare Investor Services PLC as its agent in relation to the transfer and settlement of Shares held in uncertificated form.

Solicitors appointed by the Group hold the property deeds on behalf of the Group.

Annual expenses

The principal annual expenses of the Group are the fees payable to the AIFM, the Manager, the Administrator, the Valuer and the Directors. The Group also incurs direct property costs, regulatory fees, insurance costs, professional fees, audit fees and other expenses.

If 150 million New Shares are issued pursuant to the Vendor Issue and the Share Issue (assuming all such Shares issued under the Share Issue were issued pursuant to a single issue under the Initial Placing) at the Share Issue Price, these fees and expenses would, on an annualised basis for the financial year ending 30 September 2018, amount to approximately 1.28 per cent. of the net assets of the Group.

If 150 million New Shares are issued pursuant to the Vendor Issue and the Share Issue (assuming all such Shares issued under the Share Issue were issued pursuant to a single issue under the Initial Placing) and 60 million New Shares are issued under the Placing Programme, all such issues at the Share Issue Price, these fees and expenses would, on an annualised basis for the financial year ending 30 September 2018, amount to approximately 1.19 per cent. of the net assets of the Group.

For the avoidance of doubt, such expenses exclude the costs of the Proposals. There is no guarantee that the New Shares will be issued at the price used in the above assumption for the Placing Programme. This price has been used for the purposes of this calculation only.

Accounting policies

The audited accounts of the Group are prepared under International Financial Reporting Standards (“IFRS”) which the Directors believe is an acceptable body of generally accepted accounting practice. Financial statements prepared by the Group in accordance with IFRS include a consolidated statement of comprehensive income, which is not required to differentiate between revenue and capital items and which also includes realised and unrealised investment gains/losses. The Group’s management and administration fees, finance costs and all other expenses will be charged through the consolidated statement of comprehensive income.

Shareholder information

The Company’s annual report and accounts (which consolidate the accounts of the Group) are prepared up to 30 September each year and it is expected that copies are sent to Shareholders by the end of the following January. The Company expects to hold its annual general meeting in March each year. Shareholders also receive an unaudited half yearly report covering the six months to 31 March each year, expected to be despatched in the following May.

Properties are valued by an external valuer on a quarterly basis in accordance with the Red Book, and these valuations are reviewed at the time by the property valuation committee. The net asset value attributable to the Ordinary Shares is published quarterly based on the properties’ most recent valuation and in accordance with IFRS. The net asset value is calculated by the Administrator and published through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. The calculation of the net asset value per Ordinary Share would only be suspended in circumstances where the underlying data necessary to value the investments of the Company could not readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations would be announced through a Regulatory Information Service.

PART 4

DETAILS OF THE SHARE ISSUE AND THE VENDOR ISSUE

Introduction

The Share Issue will consist of an Open Offer, Initial Placing, Offer for Subscription and Intermediaries Offer. As part of the consideration for acquiring the New Portfolio, the Company will also issue the Vendor Shares. Under the Share Issue, subject to compliance with the Companies Act and the Articles, the Company is proposing to issue up to 150 million New Shares, less the Vendor Shares. New Shares issued pursuant to the Share Issue and the Vendor Issue will be issued at the Share Issue Price being 111.75 pence per New Share representing a 1.4 per cent. premium to the Adjusted NAV per Share as at 31 October 2017.

The combination of the Open Offer, Initial Placing, Offer for Subscription and Intermediaries Offer gives priority to Existing Shareholders and allows them to participate in the Share Issue by subscribing for their Open Offer Entitlements on a pre-emptive basis as well as applying for further New Shares under the Open Offer (by virtue of the Excess Application Facility). The combination also provides the Company with the flexibility to raise the desired quantum of equity capital and the opportunity for new investors, including to retail investors, to subscribe through the Initial Placing, Offer for Subscription and Intermediaries Offer.

The New Shares issued pursuant to the Share Issue and the Vendor Shares will rank *pari passu* in all respects with the existing Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant New Shares).

The issue of New Shares pursuant to the Share Issue and the Vendor Issue are conditional, *inter alia*, on:

- Resolution 1 (being the approval of the Acquisition), Resolution 2 (being the authority to allot the New Shares pursuant to the Share Issue and the Vendor Issue) and Resolution 4 (being the authority to allot the New Shares pursuant to the Share Issue and the Vendor Issue on a non pre-emptive basis) being passed at the General Meeting;
- the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission;
- the Admission Condition being satisfied prior to 8.00 a.m. on 8 December 2017 (or such later time and/or date, not being later than 8.00 a.m. on 22 December 2017, as may be agreed by the Board, the Sponsor and the Placing Agent); and
- the Minimum Issue Proceeds being raised.

The Acquisition Agreement is conditional on the first two conditions above being satisfied. A further condition in relation to obtaining the consent of a landlord of part of the Widnes Retail Park prior to the grant to Aviva of a fixed charge has also either to be satisfied or waived by the Company prior to 22 December 2017.

In the event that these conditions are not satisfied or waived Initial Admission will not occur and the Acquisition will not complete. In such circumstances no funds will be drawn down under the New Facility and any monies received under the Share Issue will be returned to investors. The Share Issue is not being underwritten.

Typical investor

Typical investors in the Company are expected to be institutional investors and professionally-advised private investors who are seeking an attractive level of income and capital growth from investing in a diversified portfolio of UK commercial real estate assets. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial

adviser who specialises in advising on the acquisition of shares and other securities before investing in the Ordinary Shares. Any investor in the Company should understand and accept the risks inherent in the Company's investment policy.

The Initial Placing

Canaccord has agreed under the Placing Agreement to use its reasonable endeavours to procure Placees for New Shares at the Share Issue Price. It is expected that Placees will be a combination of new and existing institutional investors.

The Initial Placing will close at 12 noon on 6 December 2017 (or such later date as the Company, the Sponsor and the Placing Agent may agree). If the Initial Placing is extended, the revised timetable will be notified via an RIS.

The procedure for, and the terms and conditions of, application under the Initial Placing are set out in Part 12 of this document.

The agreement to subscribe for New Shares under the Initial Placing is conditional on Initial Admission and will become an unconditional commitment on Initial Admission. Once made, a commitment may not be withdrawn without the consent of the Directors.

Subscriber warranties

Each subscriber for New Shares in the Initial Placing will be deemed to have represented, warranted and acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in paragraph 4 in Part 12 of this document.

The Company, the Manager, the Placing Agent and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with the investor must immediately notify the Company.

The Placing Agreement

The Placing Agreement contains provisions entitling the Placing Agent to terminate the Initial Placing (and the arrangements associated with it) at any time prior to Initial Admission in certain circumstances. If this right is exercised, the Initial Placing and these arrangements will lapse and any monies received in respect of the Initial Placing will be returned to applicants without interest.

The Placing Agreement provides for the Placing Agent to be paid commissions in respect of the New Shares to be allotted pursuant to the Initial Placing. Any commissions received by the Placing Agent may be retained, and any New Shares subscribed for by the Placing Agent may be retained, or dealt in, by it for its own benefit.

Further details of the terms of the Placing Agreement are set out in paragraph 8.4 of Part 11 of this document.

The Open Offer

Open Offer Entitlement

Under the Open Offer, up to an aggregate amount of 65,496,966 New Shares will be made available to Qualifying Shareholders at the Share Issue Price *pro rata* to their holdings of Ordinary Shares on the Record Date, on the terms and subject to the conditions of the Open Offer, on the basis of:

One New Share for every two Ordinary Shares held on the Record Date

Qualifying Shareholders should be aware that the Open Offer is not a rights issue and Open Offer Application Forms cannot be traded.

Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of New Shares and will be disregarded in calculating Open Offer Entitlements. All fractional entitlements will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 6 December 2017. Valid applications under the Open Offer will be satisfied in full up to applicants' Open Offer Entitlements. Qualifying Shareholders are also being offered the opportunity to subscribe for additional New Shares in excess of their Open Offer Entitlements under the Excess Application Facility described below.

The terms and conditions of application under the Open Offer are set out in Part 14 of this document. These terms and conditions should be read carefully before an application is made. Investors who are in any doubt about the arrangements should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser.

Excess Application Facility

The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders. Qualifying Shareholders who take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional New Shares in excess of their Open Offer Entitlement. The Excess Application Facility will comprise whole numbers of New Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements, together with fractional entitlements under the Open Offer. Qualifying Shareholders may also indicate a desire to subscribe for further New Shares up to the maximum number of New Shares available under the Share Issue. The Directors retain discretion to reallocate any amounts available under the Initial Placing, Offer for Subscription and Intermediaries Offer to satisfy demand in excess of this. For the avoidance of doubt, there will be no formal priority in relation to allocations within the Share Issue (other than the priority accorded to Existing Shareholders in accordance with their Open Offer Entitlement and *pro rata* share in the Excess Application Facility) and all such other allocations to Existing Shareholders and new investors using the balance of New Shares available pursuant to the relevant authority under the Prospectus are purely at the Directors' discretion.

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Open Offer Application Form.

Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 2 of the "Terms and Conditions of the Open Offer" in Part 14 of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

To the extent that Qualifying Shareholders choose not to take up their entitlements under the Open Offer or that applications from Qualifying Shareholders are invalid, unallocated Open Offer Shares may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility. Thereafter, to the extent that there remain any unallocated Open Offer Shares, they will be made available under the Initial Placing, Offer for Subscription and/or Intermediaries Offer as the Directors, in consultation with the Placing Agent, shall determine.

Applications under the Excess Application Facility will be allocated, in the event of oversubscription, *pro rata* to Qualifying Shareholders' applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Action to be taken

Full details of the Open Offer are contained in the Terms and Conditions of the Open Offer in Part 14 of this document. If you have any doubt about what action you should take, you should seek your own financial advice from your stockbroker, solicitor or other independent financial adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities immediately.

1. Non-CREST Shareholders

Qualifying Non-CREST Shareholders will be sent an Open Offer Application Form giving details of their Open Offer Entitlement with this document.

Persons that have sold or otherwise transferred all of their Existing Shares held in certificated form before 17 November 2017 should forward this document, together with any Open Offer

Application Form at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that this document and the Open Offer Application Form should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States and the other Restricted Jurisdictions.

Any Existing Shareholder that has sold or otherwise transferred only some of their Existing Shares held in certificated form on or before 17 November 2017, should refer to the instructions regarding split applications in the Terms and Conditions of the Open Offer in Part 14 of this document and in the Open Offer Application Form.

2. CREST Shareholders

Qualifying CREST Shareholders will not be sent an Open Offer Application Form. Instead, Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement and their Excess CREST Open Offer Entitlement, which is made up of the maximum size of the Share Issue less their Open Offer Entitlement, as soon as practicable after 8.00 a.m. on 22 November 2017.

In the case of any Existing Shareholder that has sold or otherwise transferred only part of their holding of Existing Shares held in uncertificated form on or before 17 November 2017 (being the ex-entitlement date under the Open Offer), a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate Open Offer Entitlement and Excess CREST Open Offer Entitlement to the purchaser or transferee.

The Offer for Subscription

New Shares will also be offered under the Offer for Subscription. The Offer for Subscription will be made in the UK only.

Applicants under the Offer for Subscription may specify a fixed sum in Sterling, being the aggregate subscription price for the New Shares for which they wish to apply at the Share Issue Price or may specify the number of New Shares for which they wish to apply. Individual applications must be for New Shares with a minimum aggregate value at the Share Issue Price of £1,000 and applications in excess of that amount should be made in multiples of £1,000.

The procedures for, and the terms and conditions of, application under the Offer for Subscription are set out in Part 13 of this document and the application form for use under the Offer for Subscription is attached to this document. The 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 advisers if they are in any doubt.

Completed Offer for Subscription Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to the Receiving Agent so as to be received by no later than 11.00 a.m. on 6 December 2017. Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

The Intermediaries Offer

Retail investors in the United Kingdom may be eligible to apply for New Shares through the Intermediaries Offer, by following the application procedures of the relevant Intermediary, by no later than 11.00 a.m. on 6 December 2017.

Individuals who are aged 18 or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations are permitted to apply to subscribe for or purchase New Shares in the Intermediaries Offer through an Intermediary. Individuals aged between 16 and 18 may apply to subscribe for or purchase New Shares in the Intermediaries Offer only if such New Shares are to be held in a Junior ISA. Only one application for New Shares may be made for the benefit of any one person under the Intermediaries Offer. Underlying Applicants are responsible for ensuring that they do not make more than one application under the Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan). Intermediaries may not make multiple applications on behalf of the same person.

There is a minimum application amount of £1,000 per retail investor in the Intermediaries Offer. There is no maximum application amount in the Intermediaries Offer. No New Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom. Applications under the Intermediaries Offer may be by reference to the total monetary amount the applicant wishes to invest or by reference to the total number of New Shares for which the applicant wishes to subscribe at the Share Issue Price.

By applying for New Shares under the Intermediaries Offer, the relevant Underlying Applicant agrees to acquire the New Shares applied for at the Share Issue Price. Each Underlying Applicant must comply with the money laundering procedures of their Intermediary and all laws and regulations applicable to their agreement to subscribe for or purchase New Shares. Where an application is not accepted or there are insufficient New Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the Underlying Applicant as required and all such refunds will be made in accordance with the terms provided by the Intermediary to the Underlying Applicant. The Company, the Manager and the Placing Agent accept no responsibility with respect to the obligations of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to be bound by the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms, and may provide for the payment of commission to any Intermediary.

Under the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant, among other things, that it is not located in the United States and is not acting on behalf of anyone located in the United States. Under the Intermediaries Offer, New Shares will be offered outside the United States only in offshore transactions as defined in, and in reliance on, Regulation S.

An Intermediary may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom in connection with the Share Issue, subject to the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and will not be reviewed or approved by the Company, the Manager, the Sponsor, the Placing Agent or the Intermediaries Offer Adviser. Any liability relating to such materials, information or advice will be for the relevant Intermediary only. Any Intermediary that uses this document for the purposes of marketing New Shares must state on its website that it is using this document in accordance with the Company's consent. If a retail investor asks an Intermediary for a copy of this document in printed form, that Intermediary must send a copy (in hard copy or via an email attachment or web link) to that retail investor at the expense of that Intermediary.

Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer.

Allocations of New Shares under the Intermediaries Offer will be at the absolute discretion of the Company (in consultation with the Placing Agent). No specific number of New Shares has been set aside for, and there will be no preferential treatment of, any retail investor or any Intermediary. The publication of this document and any actions of the Company, the Sponsor, the Placing Agent, the Manager, the Intermediaries Offer Adviser, an Intermediary or other persons in connection with the Share Issue should not be taken as any representation or assurance as to the basis on which the number of New Shares to be offered under the Intermediaries Offer or allocations under the Intermediaries Offer will be determined and all liabilities for any such action or statement are hereby disclaimed by the Company, the Sponsor, the Placing Agent, the Intermediaries Offer Adviser, and the Manager.

The Intermediaries will be notified by the Receiving Agent as soon as reasonably practicable after allocations are made under the Intermediaries Offer. The notification will be sent by email to each Intermediary separately and shall specify: (i) the aggregate number of New Shares allocated to, and to be acquired by, the relevant Intermediary (on behalf of the relevant retail investors); (ii) if applicable, the basis on which the relevant Intermediary should allocate New Shares to retail investors on whose behalf the Intermediary submitted applications; and (iii) the total amount payable by the Intermediary in respect of such New Shares.

Pursuant to the Intermediaries Terms and Conditions, each Intermediary has undertaken to make payment on its own behalf (and not on behalf of any other person) of the consideration for the New Shares allocated to it under the Intermediaries Offer at the Share Issue Price to the Receiving Agent (acting as settlement agent to the Intermediaries Offer) by means of the CREST system against delivery of the New Shares on the date of Initial Admission.

Each Underlying Applicant who applies for New Shares under the Intermediaries Offer through an Intermediary shall, by submitting an application to such Intermediary, be required to agree that it must not rely, and will not rely, on any information or representation other than as contained in this document or any supplement thereto published by the Company prior to Initial Admission. Each Intermediary acknowledges that none of the Company, the Manager, the Sponsor, the Placing Agent, or the Intermediaries Offer Adviser will have any liability to the Intermediary or any Underlying Applicant for any such other information or representation not contained in this document or any such supplement thereto published by the Company prior to Initial Admission.

ISA eligibility

The New Shares will be a qualifying investment for an ISA, provided they are acquired by an ISA plan manager pursuant to the Open Offer, the Offer for Subscription or the Intermediaries Offer.

Basis of allocation under the Share Issue

The Initial Placing, Offer for Subscription and Intermediaries Offer may be scaled back in the Directors' discretion (in consultation with the Sponsor, the Placing Agent and the Intermediaries Offer Adviser). The Directors intend to allocate 15 million New Shares to the Intermediaries Offer, although, for the avoidance of doubt, all allotments under the Share Issue (other than in respect of applications by Qualifying Shareholders for up to the aggregate number of New Shares available under the Open Offer Entitlements) remain at the absolute discretion of the Directors. The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back in favour of any of the Initial Placing, Offer for Subscription or the Intermediaries Offer, provided that any New Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements and under the Excess Application Facility may be reallocated to the Initial Placing, Offer for Subscription and/or the Intermediaries Offer and made available thereunder.

The Directors have the discretion (in consultation with the Sponsor, the Placing Agent and the Intermediaries Offer Adviser) to determine the basis of allocation within and between the Initial Placing, Offer for Subscription and the Intermediaries Offer. Allocations of Open Offer Shares pursuant to the Open Offer Entitlements shall be allocated on a pre-emptive basis and allocations of Excess Shares pursuant to the Excess Application Facility shall be allocated on a *pro rata* basis by reference to application size as further detailed in the section above entitled "The Open Offer" in this Part 4.

For the avoidance of doubt, any New Shares not taken up under the Share Issue will not be available for issue pursuant to the subsequent Placing Programme.

The Vendor Issue

It is expected that approximately 32.66 million New Shares will be issued, in aggregate, to Stadium Parkgate (Holdings) Limited and Stadium Retail (Holdings) Limited at the Share Issue Price in satisfaction of the consideration payable by the Company for the novation to the Company of a tranche of the intercompany debts between the SPVs and certain of the Vendors. In the event that proceeds in excess of the Minimum Issue Proceeds are raised under the Share Issue, the Company and the Vendors will discuss the scale back of the Vendor Issue. In the event that only the Minimum Issue Proceeds are raised under the Share Issue, the value of the Vendor Issue, in aggregate, would equate to approximately £36.5 million (representing approximately 16.59 per cent. of the issued share capital of the Company).

The results of the Share Issue

The Placing Agent, following consultation with the Company, the Sponsor and the Manager, will determine the identity of successful applicants and Placees in the Initial Placing. The Company will notify investors of the number of New Shares in respect of which their application under the Offer for Subscription has been successful and will notify Shareholders of the number of New Shares in respect

of which their application under the Open Offer has been successful. The Intermediaries Offer Adviser will notify Intermediaries of the number of New Shares in respect of which their application under the Intermediaries Offer has been successful. The number of New Shares to be issued to the Vendors will be confirmed by the Manager.

The results of the Share Issue, scaling back and the number of New Shares issued under the Vendor Issue will be announced via a Regulatory Information Service by no later than close of business on 6 December 2017.

The actual number of New Shares issued under the Share Issue will be determined by the Company, the Placing Agent and the Intermediaries Offer Adviser, after taking into account demand for the New Shares, prevailing market conditions and the acquisition costs of the New Portfolio. If the Minimum Issue Proceeds are not raised, the application monies received under the Share Issue will be returned to Shareholders (at their own risk).

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned, by cheque, without interest at the risk of the applicant.

Costs of the Share Issue

The costs and expenses of the Proposals are dependent in part on the level of subscriptions under the Share Issue, as is the recovery of the costs of the Proposals against the premium over net asset value of the New Shares issued. The costs include all costs in relation to the Acquisition (including the acquisition costs of the SPVs and due diligence costs thereon), the commission payable to the Placing Agent and the Intermediaries Adviser and the costs in relation to the publication of this document and the Circular. The actual costs cannot be ascertained at this stage as they will depend upon, among other things, the number of New Shares issued by the Company. No expenses will be charged to the investor by the Company.

Costs in the event that the Minimum Issue Proceeds are raised

Assuming only the Minimum Issue Proceeds are raised pursuant to a single issue under the Initial Placing and that the maximum number of Vendor Shares available for issue are issued (being 32.66 million New Shares based on the Share Issue Price) the costs of the Share Issue, Vendor Issue and the Acquisition would be approximately £2.44 million (of which approximately £1.0 million relate to the Share Issue).

Costs in the event that the Share Issue is fully subscribed

Assuming the maximum of 32.66 million New Shares are issued to the Vendors and 117.34 million New Shares (being 150 million less the maximum number of Vendor Shares) are issued pursuant to a single issue under the Initial Placing, the costs of the Share Issue, Vendor Issue and the Acquisition would be approximately £3.42 million (of which approximately £1.9 million relate to the Share Issue).

The aggregate initial sum payable by the Group for the New Portfolio will be £144 million. A further £2 million will be placed into an escrow account and will be released to the Vendors in the event they procure an extension of the leasehold interest over the Widnes Retail Park to at least 150 years. The Minimum Issue Proceeds have to be raised under the Share Issue in order for the Acquisition to proceed. The net proceeds of the Share Issue will be used, together with the New Facility of up to £54.16 million and the Company's existing available cash reserves of up to £20 million, to acquire the New Portfolio as well as to fund all of the costs associated with the Share Issue, including the publication of this document and the Acquisition. In the event the Share Issue is fully subscribed (and a 30 per cent. gearing level is maintained) the Company will have proceeds of approximately £91 million available for future investment, in accordance with the Company's investment policy, following the Acquisition.

Costs in the event that the Acquisition does not proceed

Assuming that the transaction does not proceed, the abortive costs would be approximately £0.85 million.

Admissions and dealings

Applications will be made to the UK Listing Authority for admission of the New Shares to the Official List. Applications will also be made for the New Shares to be admitted to trading on the Main Market. It is expected that such admissions and dealings in the Ordinary Shares issued pursuant to the Share Issue and the Vendor Issue will commence on the Main Market at 8.00 a.m. (London time) on 8 December 2017.

The New Shares will be issued in registered form and may be held in uncertificated form. The New Shares allocated will be issued to applicants through the CREST system unless otherwise stated. The New Shares will be eligible for settlement through CREST with effect from Initial Admission.

The Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the applicants concerned or their nominees with their respective entitlements to the New Shares. The names of applicants or their nominees that invest through their CREST accounts will be entered directly on to the share register of the Company.

Dealings in the New Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The New Shares will be denominated in Sterling.

Transfer

The transfer of the New Shares outside the CREST system should be arranged directly through the Registrar by completing and lodging an appropriate stock transfer form. However, an investor's beneficial holding held through the CREST system may rematerialise, in whole or in part, only upon the specific request of a beneficial owner to CREST through submitting a stock withdrawal form for share certificates or an uncertificated holding in definitive registered form.

If an applicant or transferee requests New Shares to be issued in certificated form and is holding such New Shares outside CREST, a share certificate will be despatched either to it or its nominated agent (at its own risk) within 10 days of completion of the registration process or transfer, as the case may be, of the New Shares. Investors holding a definitive certificate may elect at a later date to hold their New Shares through CREST.

Commissions

The Placing Agent and the Intermediaries Offer Adviser will be entitled to a commission payable by the Company in connection with monies raised under the Initial Placing and the Intermediaries Offer respectively. No commissions are payable by the Company to Placees under the Initial Placing.

Dilution

Existing Shareholders are not obliged to participate in the Share Issue. However, those Shareholders who do not participate in the Share Issue will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued. Assuming 150 million New Shares are issued under the Share Issue and the Vendor Issue, Shareholders will suffer a dilution of approximately 53.38 per cent. to their existing percentage holdings if they do not participate in the Share Issue.

Purchase and transfer restrictions

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Manager, the Placing Agent or the Intermediaries Offer Adviser.

The Company has elected to impose the restrictions described in Parts 12 to 14 of this document on the Share Issue and on the future trading of the New Shares so that the Company will not be required to register the offer and sale of the New Shares under the US Securities Act and will not have an obligation to register as an investment company under the US Investment Company Act and related rules and to address certain ERISA, US Internal Revenue Code and other considerations.

These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the New Shares to trade such securities. The Company and its agents will not be obliged to recognise any resale or other transfer of the New Shares made other than in compliance with the restrictions described below.

The New Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the New Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the US Securities Act. There will be no public offer of the New Shares in the United States. The New Shares are being offered and sold outside the United States to non-US Persons in reliance on Regulation S.

Moreover, the Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act. No offer, purchase, sale or transfer of the New Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the US Investment Company Act.

General

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

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document and prior to Initial Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s). In the event that a supplementary prospectus is published prior to Initial Admission, potential investors in the Share Issue will have a statutory right of withdrawal.

PART 5

THE PLACING PROGRAMME

Placing Programme

Following the Share Issue and the Acquisition, the Directors may implement the Placing Programme. Under the Placing Programme the Company will have the ability to issue a maximum of 60 million New Shares (being approximately 20 per cent. of the issued share capital of the Company assuming 150 million New Shares are issued pursuant to the Share Issue and the Vendor Issue). The Placing Programme is being implemented to enable the Company to raise additional capital over the period from 11 December 2017 to 19 November 2018 as and when the Manager identifies properties that are suitable for acquisition or opportunities to deploy suitable cash. This should enable the Manager to make a series of property acquisitions and investments whilst also mitigating the risk of impact on the Company of receiving lower returns on significant cash balances awaiting investment by enabling cash to be raised as and when required.

The Placing Agent, following consultation with the Company, the Sponsor and the Manager, will determine the identity of Placees in the Placing Programme.

New Shares may be issued under the Placing Programme from 8.00 a.m. on 11 December 2017 until 5.00 p.m. on 19 November 2018. The issue of New Shares pursuant to the Placing Programme is at the discretion of the Directors. Any New Shares issued pursuant to the Placing Programme will rank *pari passu* in all respects with the existing Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant New Shares).

The Directors intend to apply the net proceeds of the Placing Programme in making investments that have been identified by the Manager in accordance with the Company's investment objective and policy. The Placing Programme is not being underwritten.

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document and prior to the relevant Admission of the New Shares issued pursuant to any Placing Programme Issue, the Company will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

Conditions

Each Placing Programme Issue is conditional, *inter alia*, on the following:

- Resolution 3 and Resolution 5 being passed at the General Meeting and the appropriate authority remaining in place;
- the Placing Programme Price being determined by the Directors as described below;
- the Admission Condition being satisfied pursuant to such Placing Programme Issue; and
- a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.

In circumstances where these conditions are not fully met, the relevant Placing Programme Issue will not take place.

Placing Programme Price

The price of a New Share to be issued pursuant to each Placing Programme Issue will be determined by the Board at the time of each Placing Programme Issue and will be at a premium to the net asset value per Share and rounded to two decimal places. The premium will be intended to cover the direct costs of issue and will seek to contribute to the financial impact of investing the proceeds. The price will also take into account the prevailing price of the existing Shares in the market. The Placing Programme

Price for each Placing Programme Issue will be announced as soon as is practicable through a Regulatory Information Service.

Commissions

The Placing Agent will be entitled to a commission payable by the Company in connection with the proceeds raised under any Placing Programme Issue. No commissions will be payable by the Company to Placees under any Placing Programme Issue.

Admissions and dealings

Applications will be made to the UK Listing Authority for admission of the New Shares to the Official List. Applications will also be made for the New Shares to be admitted to trading on the London Stock Exchange throughout the period from 11 December 2017 to 19 November 2018. It is expected that such admissions and dealings in the New Shares issued pursuant to the Placing Programme will commence in the period from 11 December 2017 to 19 November 2018.

The New Shares will be issued in registered form and may be held in uncertificated form. The New Shares allocated will be issued to Placees through the CREST system unless otherwise stated. The New Shares will be eligible for settlement through CREST with effect from the relevant Admission.

The Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the Placees concerned or their nominees with their respective entitlements to the New Shares. The names of Placees or their nominees that invest through their CREST accounts will be entered directly on to the share register of the Company.

Dealings in the New Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The New Shares will be denominated in Sterling.

Dilution

Shareholders are not obliged, and may not receive the opportunity, to participate under the Placing Programme. If the Company issues any New Shares under the Placing Programme and a Shareholder does not acquire any of those New Shares, then the Shareholder will suffer dilution to the percentage of the issued share capital of the Company that their existing holding represents, based on the number of New Shares issued at the relevant time.

The Share Issue, the Acquisition and the Placing Programme

Assuming (i) 150 million New Shares are issued under the Share Issue and pursuant to the Vendor Issue and (ii) 60 million New Shares are issued under the Placing Programme, Existing Shareholders who participate in neither the Share Issue nor the Placing Programme, will suffer a dilution of approximately 61.58 per cent. to their existing percentage holdings.

The Placing Programme

Assuming the Acquisition does not proceed and 60 million New Shares are subsequently issued under the Placing Programme, Existing Shareholders who do not acquire any of those New Shares will suffer a dilution of approximately 31.41 per cent. to their existing percentage holdings in the Company.

Costs of the Placing Programme

The costs and expenses that the Company will incur in respect of any issue of New Shares under the Placing Programme will depend, amongst other things, on the number of New Shares issued and the Placing Programme Price in respect of that issue.

Transfer

The transfer of the New Shares outside the CREST system should be arranged directly through the Registrar by completing and lodging an appropriate stock transfer form. However, an investor's beneficial holding held through the CREST system may rematerialise, in whole or in part, only upon the

specific request of a beneficial owner to CREST through submitting a stock withdrawal form for share certificates or an uncertificated holding in definitive registered form.

If an applicant or transferee requests New Shares to be issued in certificated form and is holding such New Shares outside CREST, a share certificate will be despatched either to it or its nominated agent (at its own risk) within 10 days of completion of the registration process or transfer, as the case may be, of the New Shares. Investors holding a definitive certificate may elect at a later date to hold their New Shares through CREST

PART 6

DETAILS OF THE EXISTING PORTFOLIO AND THE COMBINED PORTFOLIO

The information contained in this Part 6 provides an analysis of the Existing Portfolio and the Combined Portfolio. The information contained in this Part 6 is unaudited. Unless otherwise stated the information in this Part 6 is provided as at 17 November 2017 (the latest practicable date prior to the publication of this document) and is based on the valuations as at 31 October 2017 from the Valuer's valuation report as set out in Part 7 of this document. There has been no material change in the value of the Existing Portfolio or the New Portfolio since 31 October 2017, being the date of their valuation.

1. Summary description of the Existing Portfolio

The Existing Portfolio is let to 37 tenants and has a contracted rent roll of £12.12 million per annum			
Property	Sector	Region	Market Value Range (£m)
Birmingham, St Philips Point	Office – Rest of UK	West Midlands	30 – 35
Sunderland, Pallion Retail Park	Retail Warehouse	North East	25 – 30
Wrexham, Plas Coch Retail Park	Retail Warehouse	Wales	20 – 25
Newcastle, Citygate II	Office – Rest of UK	North East	15 – 20
Coatbridge, B&Q Tennent Street	Retail Warehouse	Scotland	15 – 20
Rhyl, Clwyd Retail Park	Retail Warehouse	Wales	15 – 20
Daventry, Abbey Retail Park	Retail Warehouse	East Midlands	10 – 15
Edinburgh, 145 Morrison Street	Office – Rest of UK	Scotland	10 – 15
Bath, Midland Bridge House	Office – Rest of UK	South West	5 – 10
Telford, St Quintens Gate	Leisure	West Midlands	0 – 5
Liverpool, Knotty Ash	Leisure	North West	0 – 5
Hartlepool, Warrior Retail Park	Leisure	North East	0 – 5

2. Summary description of the Combined Portfolio

The Combined Portfolio is let to 62 tenants and has a contracted rent roll of £19.73 million per annum

Property (* denotes new asset)	Sector	Region	Market Value Range (£m)
Prestatyn, Prestatyn Shopping Park*	Retail Warehouse	Wales	55 – 60
Widnes, Widnes Shopping Park*	Retail Warehouse	North West	45 – 50
Birmingham, St Philips Point	Office – Rest of UK	West Midlands	30 – 35
Hull, Kingston Retail Park*	Retail Warehouse	Yorkshire & Humberside	25 – 30
Sunderland, Pallion Retail Park	Retail Warehouse	North East	25 – 30
Wrexham, Plas Coch Retail Park	Retail Warehouse	Wales	20 – 25
Newcastle, Citygate II	Office – Rest of UK	North East	15 – 20
Coatbridge, B&Q Tennent Street	Retail Warehouse	Scotland	15 – 20
Rhyl, Clwyd Retail Park	Retail Warehouse	Wales	15 – 20
Daventry, Abbey Retail Park	Retail Warehouse	East Midlands	10 – 15
Edinburgh, 145 Morrison Street	Office – Rest of UK	Scotland	10 – 15
Barnsley, Wombwell Retail Park*	Retail Warehouse	Yorkshire & Humberside	10 – 15
Bath, Midland Bridge House	Office – Rest of UK	South West	5 – 10
Telford, St Quintens Gate	Leisure	West Midlands	0 – 5
Liverpool, Knotty Ash	Leisure	North West	0 – 5
Hartlepool, Warrior Retail Park	Leisure	North East	0 – 5

3. Details of the five largest properties (Combined Portfolio)

Set out below is a brief description of the five largest properties in the Combined Portfolio.

Prestatyn, Prestatyn Shopping Park			
Location:	Wales		
Sector:	Retail Warehouse		
Planning Consent:	Open Class A1 (part food)		
Size:	166,750 sq. ft.		
This is the only retail park within Prestatyn, is the principal fashion location for the town and forms part of the town centre function.			
Tenant	Lease Expiry	Earliest of lease expiry or break option	Rent review
Tesco Stores Ltd	02/12/2032	02/12/2032	03/12/2017
Marks & Spencer PLC	24/12/2047	25/12/2027	25/12/2017
River Island Clothing Co Limited	25/11/2022	25/11/2022	26/11/2017
Poundland Limited	28/09/2022	28/09/2022	29/09/2017
New Look Retailers Limited	24/12/2022	24/12/2022	25/12/2017
Next Group plc	25/11/2027	25/11/2027	26/11/2017
Boots UK Limited	25/11/2022	25/11/2022	26/11/2017
Costa Limited	10/02/2023	10/02/2023	11/02/2018
Sportswift Limited	13/03/2023	14/03/2018	14/03/2018
Vodafone Limited	16/05/2023	15/05/2018	15/05/2018
TJX UK Limited	09/08/2030	10/08/2025	10/08/2020
Sports Direct.com Retail Limited	06/09/2025	06/09/2020	07/09/2020
R Roberts & Sons (Warrington) Limited (Clarks)	13/09/2030	14/09/2025	14/09/2020
The Carphone Warehouse Limited	04/10/2025	05/10/2020	05/10/2020
David J Jones Furniture Craftsman Limited	23/06/2023	24/06/2018	24/06/2018
Annual rent	£3,321,979		
Market Value	£55 – 60 million		

Widnes, Widnes Shopping Park	
Location:	North West
Sector:	Retail Warehouse
Planning Consent:	Open Class A1
Size:	182,392 sq. ft. plus 53,388 sq. ft of mezzanine

The Widnes Shopping Park is located adjacent to Widnes town centre and is the principal fashion location for the town. It is located adjacent to a Tesco Extra superstore and near to an Asda foodstore. The new Merseyside Gateway Bridge, which links Runcorn to Widnes, is located close to the south.

Tenant	Lease Expiry	Earliest of lease expiry or break option	Rent review
Marks & Spencer plc	24/03/2035	25/03/2025	—
New Look Retailers Limited	24/12/2024	24/12/2024	25/12/2019
Redcastle Limited	22/09/2020	22/09/2020	—
River Island Clothing Co Limited	03/01/2020	03/01/2020	—
Poundland Limited	28/04/2023	28/04/2023	29/04/2018
Next Group Plc	29/11/2019	29/11/2019	—
Boots UK Limited	17/01/2020	17/01/2020	—
2 year Rent Guarantee	2 years from completion	2 years from completion	—
Wilko Retail Limited	11/08/2025	11/08/2025	12/08/2020
The Carphone Warehouse Limited	05/02/2022	05/02/2018	—
Costa Limited	11/02/2020	11/02/2020	—
Gala Leisure (1998) Limited	28/09/2027	28/09/2027	29/09/2017
Halfords Limited	11/06/2026	11/06/2026	12/06/2021
KFC (GB) Limited	23/01/2027	23/01/2027	24/01/2022

Annual rent	£3,004,087 (inclusive of rental guarantee)
Market Value	£45 – 50 million

Birmingham, St Philips Point			
Location:		West Midlands	
Sector:		Office – Rest of UK	
Size:		101,647 sq. ft.	
City centre office arranged over nine upper floors, with a lower ground floor retail unit. The property is multi-let to five tenants.			
Tenant	Lease Expiry	Earliest of lease expiry or break option	Rent review
Weightmans LLP	31/07/2019	31/07/2019	—
Weightmans LLP	31/07/2019	31/07/2019	—
Weightmans LLP	31/07/2019	31/07/2019	—
Baker Tilly Management Ltd	10/04/2022	10/04/2022	—
Weightmans LLP	31/07/2019	31/07/2019	—
AXA Insurance UK plc	15/06/2026	24/06/2021	24/06/2021
AXA Insurance UK plc	15/06/2026	24/06/2021	24/06/2021
AXA Insurance UK plc	15/06/2026	24/06/2021	24/06/2021
AXA Insurance UK plc	15/06/2026	24/06/2021	24/06/2021
AXA Insurance UK plc	24/06/2021	24/06/2021	—
UK Land Development Limited	28/06/2022	28/06/2022	—
David's Bridal UK Ltd	07/08/2026	07/08/2026	08/08/2021
Weightmans LLP	19/03/2018	19/03/2018	—
UK Land Development Limited	28/06/2022	28/06/2022	—
Vacant (car parking)	—	—	—
Annual rent	£2,055,360		
Market Value	£30 – 35 million		

Hull, Kingston Retail Park			
Location:	Yorkshire & Humberside		
Sector:	Retail Warehouse		
Planning Consent:	Open Class A1 (part food)		
Size:	126,847 sq. ft.		
Located on the edge of the city centre, Kingston Retail Park is the principal retail park for this part of Hull.			
Tenant	Lease Expiry	Earliest of lease expiry or break option	Rent review
TJ Morris Limited t/a Home Bargains	25/04/2031	26/04/2026	26/04/2021
Toys "R" Us Limited	25/06/2030	26/06/2025	26/06/2020
Outfit Retail Properties Limited	31/07/2024	31/07/2024	01/08/2019
Boots UK Limited	08/04/2024	08/04/2024	09/04/2019
B&M Retail Ltd	24/01/2021	24/01/2021	—
Childrens World Limited	24/12/2024	24/12/2024	25/12/2019
Mamas & Papas (Retail) Limited	21/09/2026	21/09/2026	22/09/2021
Hobbycraft Trading Limited	25/08/2026	25/08/2026	05/10/2019
Costa Limited	17/01/2020	17/01/2020	—
2 year rent, rates and service charge guarantee	2 years from completion	—	—
2 year rent, rates and service charge guarantee	2 years from completion	—	—
2 year rent, rates and service charge guarantee	2 years from completion	—	—
The Carphone Warehouse Limited	24/12/2023	24/12/2023	25/12/2018
Annual rent	£2,088,241 (inclusive of rental guarantees)		
Market Value	£25 – 30 million		

Sunderland, Pallion Retail Park			
Location:	North East		
Sector:	Retail Warehouse		
Planning Consent:	Open Class A1 (part food)		
Size:	131,349 sq. ft.		
Prominent retail park to the north west of the city centre.			
Tenant	Lease Expiry	Earliest of lease expiry or break option	Rent review
Matalan Retail Ltd	06/10/2031	06/10/2031	07/10/2021
B&M Retail Ltd	22/01/2032	22/01/2032	23/01/2022
Vacant	—	—	—
Dunelm (Soft Furnishings) Ltd	28/09/2018	28/09/2018	—
B&M Retail Ltd	28/09/2018	28/09/2018	—
Iceland Foods Ltd	10/01/2026	10/01/2026	29/09/2018
The Wallpaper Warehouse Ltd	18/12/2018	18/12/2018	—
Poundstretcher Ltd	28/09/2023	28/09/2023	25/02/2018
John Powell	07/10/2018	07/10/2018	—
Annual rent	£1,674,924		
Market Value	£25 – 30 million		

4. Tenant concentration

The tenants that contribute in excess of 2 per cent, of the contracted net annual rent of the Existing Portfolio can be summarised as follows:

Lease Name	Sector	Annual contracted rent	Percentage of annual contracted rent of Existing Portfolio (%)
B&Q plc	Retail Warehouse	£1,839,844	15.18
Ernst & Young LLP	Office – Rest of UK	£865,661	7.14
AXA Insurance UK plc	Office – Rest of UK	£793,608	6.55
B&M Retail Limited	Retail Warehouse	£753,520	6.22
Capita Business Services Limited	Office – Rest of UK	£676,136	5.58
Weightmans LLP	Office – Rest of UK	£612,452	5.05
Mecca Bingo Limited	Leisure	£525,800	4.34
Dave Whelan Sports Limited	Retail Warehouse	£509,134	4.20
DSG Retail Limited	Retail Warehouse	£503,100	4.15
Pets at Home Limited	Retail Warehouse	£456,140	3.76
Matalan Retail Limited	Retail Warehouse	£397,500	3.28
Homebase Limited	Retail Warehouse	£392,370	3.24
Rank Group Gaming Division Limited	Leisure	£384,285	3.17
Baker Tilly Management Limited	Office	£375,000	3.09
Withy King LLP	Office	£323,330	2.67
Dunelm (Soft Furnishings) Limited	Retail Warehouse	£321,750	2.65
Poundstretcher Limited	Retail Warehouse	£251,325	2.07

The tenants that contribute in excess of 2 per cent, of the annual contracted rent of the Combined Portfolio can be summarised as follows:

Lease Name	Sector	Annual contracted rent	Percentage of annual contracted rent of Combined Portfolio (%)
B&Q plc	Retail Warehouse	£1,839,844	8.76
Tesco Stores Limited*	Retail	£1,488,462	7.09
B&M Retail Limited	Retail Warehouse	£1,117,620	5.32
Marks & Spencer plc	Retail Warehouse	£972,899	4.63
Ernst & Young LLP	Office – Rest of UK	£865,661	4.12
Boots UK Limited	Retail Warehouse	£829,583	3.95
AXA Insurance UK plc	Office – Rest of UK	£793,608	3.78
Capita Business Services Limited	Office – Rest of UK	£676,136	3.22
Weightmans LLP	Office – Rest of UK	£612,452	2.92
Pets at Home Limited	Retail Warehouse	£541,140	2.58
Dunelm (Soft furnishings) Limited	Retail Warehouse	£535,350	2.55
Mecca Bingo Limited	Leisure	£525,800	2.50
Dave Whelan Sports Limited	Retail Warehouse	£509,134	2.42
DSG Retail Limited	Retail Warehouse	£503,100	2.40
TJX UK Limited	Retail Warehouse	£475,980	2.27
Wilko Retail Limited	Retail Warehouse	£433,250	2.06

* Including the projected increase in rent as a result of the upcoming rent review due on 3 December 2017.

5. Summary of tenure

Tenure	As a percentage of aggregate Market Value		
	Existing Portfolio	New Portfolio	Combined Portfolio
Freehold/Heritable	80.88	68.05	75.06
Leasehold	7.86	0.00	4.30
Long mixed freehold/leasehold	11.26	31.95	20.64

6. Lease length

The Properties in the Existing Portfolio have a total of 37 tenants. The Combined Portfolio has a total of 62 tenants. The length of the leases can be summarised as follows:

Lease Length	As a percentage of annual contracted rent		
	Existing Portfolio	New Portfolio	Combined Portfolio
0-3 years	11.46	5.89	9.15
3-5 years	55.10	27.45	43.35
5-10 years	14.26	49.91	29.35
10-15 years	14.98	16.75	15.73
15 + years	4.20	0.00	2.42
EPRA Vacancy Rate (%)	0.69	6.07	3.12
WAULT	6.19	7.58	6.78

WAULT means Weighted Average Unexpired Lease Term (to lease end or break option date if sooner).

7. Income profile (Combined Portfolio)

The occurrence of the earlier of lease expiries and break options of the Combined Portfolio can be summarised as follows and is stated exclusive of rental guarantees:

Year of expiration or break option	Annual contracted rent	Percentage of annual contracted rent (%)	Cumulative percentage of annual contracted rent (%)
2017	£34,800	0.17	0.17
2018	£641,750	3.06	3.23
2019	£1,165,002	5.55	8.78
2020	£2,275,338	10.83	19.61
2021	£1,117,958	5.32	24.93
2022+	£15,770,847	75.07	100.00

The aggregate annual contracted rent of the Existing Portfolio is approximately £12.12 million. There are currently rent free periods with a value of approximately £1.7 million resulting in a passing rent of approximately £10.5 million.

The aggregate annual contracted rent of the Combined Portfolio is approximately £21.4 million.

8. Covenants

The covenant strength of the tenants of the Existing Properties and the New Properties can be summarised as follows:

Risk of failure*	As a percentage of current annual contracted rent		
	Existing Portfolio	New Portfolio	Combined Portfolio
Minimum risk	91.20	84.60	88.40
Lower than average risk	6.63	9.14	7.69
Higher than average risk	1.89	2.60	2.20
High risk	0.00	1.45	0.61
Undetermined	0.28	2.21	1.10
Administration	0.00	0.00	0.00

* Based on Dun & Bradstreet Risk of Failure score

9. Lease terms

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

10. Property condition

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

11. Regional weightings

The regional weightings of the Existing Portfolio, the New Portfolio and the Combined Portfolio can be summarised as follows:

Region	As a percentage of value		
	Existing Portfolio	New Portfolio	Combined Portfolio
North East	27.99%	0.00%	15.29%
North West	1.79%	31.94%	15.46%
West Midlands	20.06%	0.00%	10.97%
South West	2.94%	0.00%	1.61%
Scotland	16.74%	0.00%	9.15%
East Midlands	7.86%	0.00%	4.30%
Wales	22.62%	39.93%	30.47%
Yorkshire & Humber	0.00%	28.13%	12.75%

12. Sectoral weightings

The sectoral weightings of the Existing Portfolio, the New Portfolio and the Combined Portfolio can be summarised as follows:

Sector	As a percentage of gross annual rent		
	Existing Portfolio	New Portfolio	Combined Portfolio
Retail Warehouse	55.11	100.00	75.47
Office	39.03	0.00	21.33
Leisure	5.86	0.00	3.20

13. The Acquisition

The Company and the New Property Subsidiary have entered into the conditional Acquisition Agreement with the Vendors dated 15 November 2017. Under this Acquisition Agreement, the Company and the New Property Subsidiary have conditionally agreed to purchase the New Portfolio by way of acquiring the entire issued capital of each of the SPVs.

The aggregate sum payable to the Vendors on completion of the Acquisition will be £144 million (such payment being split between consideration for (i) the entire issued share capital of each of the SPVs and (ii) the intercompany debts owed by the SPVs to certain of the Vendors which shall be novated to the Company and the New Property Subsidiary). A further £2 million shall be held in an escrow account from completion of the Acquisition and shall be released to the Vendors in the event that the Vendors procure an extension of the leasehold interest over the Widnes Retail Park to at least 150 years. Following completion, the estimated net asset position upon which the consideration is based will be tested and the final consideration adjusted accordingly. The payment obligations under the Acquisition Agreement, as well as all of the costs associated with the Acquisition (which on the completion of the Acquisition are expected to amount to approximately £2.44 million) will be satisfied by a combination of the Company's existing cash resources available for investment which amount to £20 million, the New Facility under which a maximum of £54.16 million may be drawn down, the proceeds of the Share Issue, (the Minimum Issue Proceeds that would require to be raised are £37.1 million) and the Vendor Issue being a maximum of £36.5 million. The New Properties have been externally valued by Knight Frank with a Market Value as at 31 October 2017 of £144 million.

The conditions to the Acquisition Agreement are that Shareholder approval is granted in respect of Resolution 1, Resolution 2 and Resolution 4 at the General Meeting and that the Placing Agreement becomes unconditional in all respects (save for Initial Admission). A further condition in relation to obtaining the consent of a landlord of part of the Widnes Retail Park prior to the grant to Aviva of a fixed charge has also either to be satisfied or waived by the Company prior to 22 December 2017. All the conditions in respect of the Share Issue are set out in Part 4 of this document and the Board will not proceed with the Share Issue or the Acquisition unless the Minimum Issue Proceeds have been raised,

Shareholder approval has been granted in favour of Resolution 1, Resolution 2 and Resolution 4 at the General Meeting and all of the conditions precedent in the New Facility Agreement have been satisfied. If the Minimum Issue Proceeds are not raised under the Share Issue, the Acquisition will not complete and no new funds will be able to be drawn down under the New Facility. The Vendors are entitled to rescind the Acquisition Agreement in the event that the conditions thereto are not satisfied and Initial Admission does not occur by 22 December 2017. In such an event the Company will suffer abort costs of, approximately, £0.85 million and it may also suffer cash drag on its existing cash reserves.

The Acquisition Agreement contains warranties and a tax covenant customary to agreements of this nature. However, the liability of the Vendors in relation to these warranties and the tax covenant has been excluded and warranty and indemnity insurance has been taken out on behalf of the Company and the New Property Subsidiary. This insurance policy is subject to an overall cap of £30 million and claims cannot be made in relation to matters that were known to the New Property Subsidiary prior to the signing of the the Aquisition Agreement.

Further details of the Acquisition Agreement are set out in paragraph 8.7 of Part 11 of this document.

The current intention of the Group is to transfer the New Properties to the New Property Subsidiary and liquidate the SPVs shortly after the Acquisition. The New Property Subsidiary will then hold each of the New Properties directly.

PART 7

VALUATION REPORT IN RELATION TO THE EXISTING PORTFOLIO AND THE NEW 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
EPIC (No. 2) Limited
Broadgate Tower
20 Primrose Street
London EC2A 2EW

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

Dickson Minto W.S.
Broadgate Tower
20 Primrose Street
London EC2A 2EW

20 November 2017

Dear Sirs

VALUATION REPORT ON THE EXISTING PORTFOLIO AND NEW PORTFOLIO

Market Valuation as at 31 October 2017

1. Introduction

- 1.1. In accordance with our instructions, we have carried out a valuation of the freehold, heritable or leasehold interests in the properties referred to in the Schedule A (the “**Existing Properties**”) and Schedule B (the “**New Properties**”) both appended to this Report (the Existing Properties and the New Properties being together the “**Properties**”) and now report our opinion of the market values of the Existing Properties and the New Properties as at 31 October 2017.
- 1.2. This report (the “**Report**”) is required for inclusion in a prospectus (the “**Prospectus**”) which is to be published in connection with (i) the issue of up to 150 million New Shares in connection with the Share Issue and Vendor Issue and (ii) the issue of up to 60 million New Shares pursuant to a subsequent Placing Programme (together the “**Issues**”), to be undertaken by Ediston Property Investment Company PLC (“**EPIC**” or the “**Company**”). Our Report is provided expressly for this purpose and this purpose only.
- 1.3. The Properties comprise retail warehousing, office and leisure assets and have been categorised as investment properties.
- 1.4. Unless otherwise stated in this letter, the terms defined in the Prospectus shall bear the same meaning when used in this letter.

- 1.5. The valuations have been prepared in accordance with the RICS Valuation – Global Standards 2017, incorporating the International Valuation Standards and RICS Professional Standards UK January 2014 (revised April 2015) (the “Red Book”). We will report under the guidance as set out in the Red Book as well as in accordance 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**”).
- 1.6. The Schedules (for both the Existing Portfolio and the New Portfolio) comprise 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 31 October 2017.

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.”
- 1.7. All Properties have been inspected within the last 12 months and the date each property was inspected is included in the relevant Schedule.

2. 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. Knight Frank LLP is retained by the Company as external valuer for accounts purposes. We also provide Aviva Commercial Finance Limited (“**Aviva**”) with Market Values of the assets for secured lending purposes in relation to the Company ‘gearing up’ against the value of the assets. We also provided Market Values on several of the assets at the point at which EPIC’s ordinary shares were admitted to the Official List of the UK Listing Authority and to trading on the main market of the London Stock Exchange (October 2014), with our values being reported within the initial prospectus published by the Company on 16 October 2014. We also provided Market Values on several of the assets at the point at which EPIC issued a prospectus in relation to the issue of up to 150 million new shares by way of an initial placing and offer for subscription and a placing programme (published June 2015).
- 2.3. Equally, with regard to the four assets to be acquired for the New Portfolio (which are to seed EPIC (No. 2) Limited as a further Company subsidiary), we can confirm that we have no existing material involvement with the subjects that would prevent us from providing an independent opinion of value. We would highlight that the assets are being acquired with bank debt, again, to be provided by Aviva (the existing lender to the Company), and we have been instructed to report to Aviva as part of our wider instructions. All parties have been notified and are aware of our involvement and are satisfied that this is not a material conflict given the level of independent due diligence being undertaken.
- 2.4. Other than valuation services, Knight Frank LLP provides on-going advice in relation to potential rent review and lease renewals at Newcastle, Citygate, albeit we would stress that this does not prevent us from providing you with an independent opinion of value and can confirm that we can report on the existing assets without any material conflict.
- 2.5. 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 Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

- 2.6. 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. Basis of Valuation

- 3.1. The Properties have been valued on the basis of Market Value in accordance with the RICS Red Book VPS4(4.1) 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 this methodology only applies to individual units specifically being developed in two of the Existing Portfolio assets, namely Rhyl and Sunderland (please refer to Schedule A for further details).
- 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. Equally, under Red Book guidance, we are not permitted to value corporate entities and can only value direct real estate, therefore our valuations of the Properties in the New Portfolio make no allowance or reference to the fact that they are being acquired out of various corporate structures.

4. Valuation Assumptions

Sources of Information

- 4.1. Our valuations are based on information provided by the Company's investment adviser, Ediston Properties Limited of 39 George Street, Edinburgh EH2 2HN (the "**Manager**") and its professional advisers, 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.

Title

- 4.3. We have been provided with title information and Certificates or Reports on Title in respect of the Existing Portfolio by the Manager, prepared by the professional advisers Dickson Minto W.S., Walker Morris LLP and Maclay Murray & Spens LLP, in regard to the tenure of the Properties in the Existing Portfolio and have reflected the findings of the reports in our valuations.

We have been provided with title information and Certificates or Reports on Title in respect of the New Portfolio by the Manager, prepared by the professional advisers Dickson Minto W.S., in regard to the tenure of the Properties in the New Portfolio and have reflected the findings of the reports 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.

Tenancy Information

- 4.4. We have been provided by the Manager with, and relied upon, copies of occupational leases that the Properties in both the Existing Portfolio and the New Portfolio 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 Manager.

Several of the Properties in the New Portfolio have vacant space within the building (that is to be considered lettable) and to this end, and where applicable, we have relied upon a schedule of rental guarantees (to vacant space), as stated in a formal escrow agreement document provided by the Manager's adviser Dickson Minto W.S. We note that the amounts required to provide (and cover) these guarantees are to be held as ring-fenced, and wholly transferable, entities by the Company that are drawn down on as income streams similar to receiving rent.

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

Land Register Inspection and Searches

- 4.5. 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.

Planning, Highway and Other Statutory Regulations

- 4.6. 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, other than where referred to within reports/certificates on title, 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.

Structural Condition

- 4.7. We have not been instructed to carry out structural surveys of any of the Properties in the Existing Portfolio or the New Portfolio, 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 Manager has provided us with, as commissioned by its advisors, 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.

Environmental Issues

- 4.8. We have not carried out any investigations into past or present uses of any of the properties in the Existing Portfolio or the New Portfolio, nor 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 Manager with, and relied upon, Environmental Surveys, as commissioned by its advisers, where available.

We understand that none of the Properties are, nor are likely to be, notably 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, and our due diligence review, and the Environmental Surveys provided by the Managers advisers, we have established that none of the Properties are currently classified as being at high risk from flooding without the appropriate flood defences being present.

Property Insurance

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

Building Areas

- 4.10. Where applicable, our valuations are based on the measurements undertaken by us during either our initial inspection (at the point the Company acquired each asset) or more recently with regard to the Properties within the New Portfolio. We can confirm that they have been prepared in accordance with the current RICS Code of Measuring Practice. Several of the Properties have separately commissioned measured surveys, which we have relied upon, prepared by either Armada Surveys (in relation to the property at Birmingham) or Plowman Craven (in relation to the Properties at Edinburgh, Wrexham, Hartlepool, Liverpool and Telford), and we have assumed these measurements have also been undertaken in accordance with the current RICS Code of Measuring Practice. All office areas are reported on a Net Internal Area basis with the Retail Warehousing Properties on a Gross Internal Area basis, as in keeping with general market practices.

5. Valuation

- 5.1. We are of the opinion that the aggregate of the Market Values of the freehold, heritable or leasehold interests in the Properties as at 31 October 2017 was as follows:

Existing Portfolio

£173,585,000 (One Hundred and Seventy Three Million, Five Hundred and Eighty Five Thousand Pounds).

The tenure of the Existing Properties comprises the following:

Freehold or heritable	£140,385,000	80.88%
Long Leasehold	£13,650,000	7.86%
Mixed Freehold/Leasehold	£19,550,000	11.26%
Total	<u>£173,585,000</u>	<u>100.00%</u>

For reference purposes, we confirm that there have been no material changes since 31 October 2017 being the valuation date of the Existing Properties.

New Portfolio

£144,000,000 (One Hundred and Forty Four Million Pounds)

The tenure of the New Properties comprises the following:

Freehold or heritable	£98,000,000	68.05%
Long Leasehold	£—	—%
Mixed Freehold/Leasehold	£46,000,000	31.95%
Total	<u>£144,000,000</u>	<u>100.00%</u>

For reference purposes, we confirm that there have been no material changes since 31 October 2017 being the valuation date of the New Properties.

Combined Portfolio

We are of the opinion that the aggregate of the Market Values of the Properties constituting the Combined Portfolio as at 31 October 2017 of the individual freehold or leasehold interests in the Properties described in the Schedules, subject to the assumptions and comments in this Valuation Report was:-

£317,585,000 (Three Hundred and Seventeen Million, Five Hundred and Eighty Five Thousand Pounds)

30 September 2016 Valuations of the Existing Portfolio

We are also required to state the aggregate Market Valuations of the Properties within the Existing Portfolio as at the previous year-end position, namely 30 September 2016. As we are the retained valuer to the Company we can confirm that the Market Values as at 30 September 2016 were:-

£181,410,000 (One Hundred and Eighty One Million, Four Hundred and Ten Thousand Pounds).

With regard to the difference between the aggregate of the Existing Portfolio as at 30 September 2016 and 31 October 2017, the Company has acquired the Freehold interest in Pallion Retail Park, Sunderland, but sold the Freehold interest in Phoenix House, Reading and Capita, Cutler's Gate, Sheffield. Material differences thereafter include a combination of notable active management (St Philips Point, Birmingham – lease renewals to core tenant, Axa, thus increasing the income profile of the asset Rhyl – acquisition of two adjoining land parcels for potential redevelopment purposes; and Abbey Retail Park, Daventry – new letting to B&M) and yield compression through improving market conditions, particularly for well-let assets, such as Morrison Street, Edinburgh or where the prospect of tenant retention is favourable, such as Clwyd Retail Park, Rhyl.

6. 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 A TO THE VALUATION REPORT

THE EXISTING PORTFOLIO

Address	Date inspected	Description age and tenure	Terms of main tenancies	Current net annual rent receivable
145 Morrison Street, Edinburgh	11/10/2017	<p>The property comprises a Grade A office building arranged over ground and four upper floors, providing a total net internal area of 26,894 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 end 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>Built: 2012/2013 Tenure: Heritable.</p>	<p>The property is let as of July 2015 to Capita Business Services Limited for a 15 year term at a rent of £676,136 per annum, subject to 5 yearly open market reviews.</p>	£676,136
St Philips Point, Temple Row, Birmingham	20/10/2017	<p>The property comprises a mixed use office and retail scheme. The accommodation extends to a total of 101,647 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>Built: c.1990. Tenure: Freehold.</p>	<p>The property is currently multi let producing a current net rent of £886,752 per annum and a weighted unexpired term of 3.82 years (to breaks). The leases are all effective FRI. There are rent free periods currently associated with the leases to Axa and Baker Tilly.</p> <p>The current tenants include Weightmans LLP, Baker Tilly Services Limited and AXA Insurance UK Plc.</p> <p>The ground floor retail unit is let to Davids Bridal UK Limited.</p>	£886,752
Clywd Retail Park, Rhyl	21/09/2017	<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 84,342 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>The Manager is currently speculatively developing an 8,000 sq ft unit between the two main terraces and post PC the overall scheme area will increase by said amount.</p> <p>Built: 1995 (Restaurant Unit 2007). Tenure: Freehold.</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 2.52 years (to breaks).</p> <p>The Manager is currently speculatively developing an 8,000 sq ft unit between the two main terraces which we include within the valuation computation as a residual calculation, derived by vacant letting assumptions less the residue costs associated with its development.</p>	£1,093,735

Address	Date inspected	Description age and tenure	Terms of main tenancies	Current net annual rent receivable
Midland Bridge House, Lower Bristol Road, Bath	03/06/2017	<p>The property comprises a 4 storey office building arranged over ground and three upper floors. The property provides a total net internal area of 18,268 sq ft and 28 car parking spaces. The building is of reinforced concrete frame construction under a flat roof with a mineral felt covering. Internally the accommodation provides modern open plan office accommodation to a good specification.</p> <p>Built: 1980's build, fully refurbished in 2013.</p> <p>Tenure: Freehold.</p>	<p>The property is let in its entirety to Withy King LLP on a full repairing and insuring lease for a term of 10 years from 22nd March 2013 subject to an upward only rent review on 25th March 2018 at a current rent of £323,330 per annum.</p> <p>The unexpired lease term is 5.39 years.</p>	£323,330
Tennent Street, Coatbridge	03/03/2017	<p>The property comprises a purpose built 102,680 sq ft DIY retail warehouse with attached builders' yard on the south side and a garden centre to the north side. It occupies a large site with 600 customer car parking spaces to the front and separate service yard to the rear.</p> <p>The building is of steel portal frame construction arranged in two bays, with brick wall cladding to lower levels surmounted by profile sheet cladding under a pitched double skin profile sheet roof over each bay.</p> <p>Built: 2002.</p> <p>Tenure: Heritable.</p>	<p>The property is let in its entirety to B&Q plc for a term expiring December 2022. The lease is drawn on full repairing and insuring terms with 5 yearly upwards only reviews. The current passing rent is £1,331,200 per annum.</p>	£1,331,200
Abbey Retail Park Daventry	24/04/2017	<p>The property comprises a modern retail warehouse park providing a terrace of six retail warehouse units, a solus DIY unit with garden centre and a further six retail kiosk units. The property provides a total gross internal area of 65,226 sq ft. 198 car parking spaces are situated in front of the units, with a further 207 spaces (Council operated), situated beneath the retail warehouse units in an undercroft car park.</p> <p>The units are of steel frame construction with part glazed and part steel clad elevations, beneath a pitched steel composite panel roofs.</p> <p>Built: 2008.</p> <p>Tenure: Leasehold.</p>	<p>The property is multi let to 11 tenants by way of 12 leases. Leases expire between January 2020 (break) and December 2028. The leases are drawn on full repairing and insuring terms with several subject to rent reviews.</p> <p>Tenants include Halfords, B&M (currently in rent free until August 2018), Homebase and Pets at Home.</p> <p>Two further leases in respect of the undercroft car park and a biomass boiler expire in December 2158.</p> <p>The weighted unexpired lease term is 8.93 years (to breaks).</p>	£729,412

Address	Date inspected	Description age and tenure	Terms of main tenancies	Current net annual rent receivable
Mecca Bingo, Warrior Retail Park, Hartlepool	16/06/2017	<p>The property comprises a detached retail warehouse unit, providing a purpose-built Bingo hall, extending to 31,284 sq ft with car parking provision for some 204 cars. The unit is of steel frame construction with part glazed and part cavity wall elevations under a pitched roof.</p> <p>The property is located on a wider retail and leisure park centred on Hartlepool Marina.</p> <p>Built: mid-1990s. Tenure: Freehold.</p>	<p>The property is let, in its entirety, to Mecca Bingo Limited (subject to a guarantee by Rank Group) for a term of 25 years from 29 September 1997 at a rent of £262,500 per annum.</p> <p>The lease thus expires in 4.91 years. The lease is subject to upward only rent reviews every fifth anniversary of the term and is drawn on full repairing and insuring terms.</p> <p>As at the valuation date the September 2017 rent review remains outstanding.</p>	£262,500
Mecca Bingo, 439 East Prescott Road, Liverpool	24/05/2017	<p>The property comprises a detached, purpose built leisure property, arranged over ground and a small mezzanine floor.</p> <p>Built in the late 1990's, the unit provides some 31,763 sq ft of accommodation and is of steel framed construction with brick cladding under a pitched roof. To the front is a glazed entrance/reception pod. A car parking area is to the eastern elevation for some 160 vehicles.</p> <p>Built: mid-1990s. Tenure: Freehold.</p>	<p>The property is let, in its entirety, to Mecca Bingo Limited (subject to a guarantee by Rank Group) for a term of 25 years from 29 September 1997 at a rent of £263,300 per annum.</p> <p>The lease thus expires in 4.91 years. The lease is subject to upward only rent reviews every fifth anniversary of the term and is drawn on full repairing and insuring terms.</p> <p>As at the valuation date the September 2017 rent review remains outstanding.</p>	£263,300
Mecca Bingo, Southwater Square, Telford	12/05/2017	<p>The property comprises a detached, two storey building constructed in 1993 with a bowling alley on the ground floor and a bingo hall on the first floor. The building is of steel portal frame construction with brick elevations and a profile metal roof.</p> <p>Internally, both floors have been fitted out to the tenant's corporate specification. The property is occupied as two separate units, with the Bingo Hall having its own entrance and lobby to the ground floor.</p> <p>In total the property extends to 57,138 sq ft.</p> <p>Built: 1993. Tenure: Freehold.</p>	<p>The property is let, in its entirety, to Rank Group Gaming Division Ltd for a term of 25 years from 29 September 1997 at a rent of £384,285 per annum.</p> <p>The lease thus expires in 4.91 years. The lease is subject to upward only rent reviews every fifth anniversary of the term and is drawn on full repairing and insuring terms.</p> <p>As at the valuation date the September 2017 rent review remains outstanding</p>	£384,285

Address	Date inspected	Description age and tenure	Terms of main tenancies	Current net annual rent receivable
Citygate 2, St James Boulevard, Newcastle upon Tyne	15/03/2017	<p>The property comprises a modern 6 storey Grade A office building extending to a total net internal area of 63,524 sq ft. There are 70 car parking spaces demised to the property. It is situated on the western edge of the principal core of Newcastle City Centre, overlooking the junction of A189 St James' Boulevard and the B1318 Gallowgate. St James' Park, home of Newcastle United Football Club, is approximately 200 metres to the north.</p> <p>Built: 2002.</p> <p>Tenure: The majority of the site is held long leasehold with the remaining element held freehold.</p>	<p>EY occupy part ground, 2nd, part 3rd, 4th and 5th floors by way of 5 co-terminous, fully repairing and insuring leases expiring March 2022. The remainder of the ground and 3rd floors are let to UNW LLP until March 2022 by way of 2 co-terminous leases. Part first floor is let to N&D (London) Limited until March 2022 by way of a reversionary lease.</p> <p>EY have outstanding rent reviews as of March 2017 to all leases. N&D currently are in a rent free period until August 2018.</p> <p>The property has a WAULT of 4.35 years to breaks.</p>	£1,084,219
Plas Coch Retail Park, Wrexham	21/09/2017	<p>The property comprises a purpose built park of 5 buildings providing 7 retail units and a restaurant unit. One building was originally a cinema and has been converted to a gymnasium with swimming pool. Two units are merged as single occupational space. The property provides a total gross internal area of 94,245 sq ft with 572 car parking spaces situated at the front and rear of the units.</p> <p>The units are of steel frame construction with brick elevations and pitched roofs, incorporating false mansard detailing.</p> <p>Built: 1996.</p> <p>Tenure: Freehold.</p>	<p>The property is multi let on 7 leases to seven tenants, with occupiers including Boots, TKMaxx, Pets at Home and Currys. Expiry dates are between December 2019 and May 2035, with the TKMaxx lease subject to a tenant break option in November 2025. The leases are drawn on full repairing and insuring terms.</p> <p>As at the valuation date Pets at Home and Currys are both subject to outstanding 2017 rent reviews. The Dave Whelan Sports Limited lease is subject to fixed rental increases every 5 years.</p> <p>The WAULT is 8.54 years to breaks.</p>	£1,745,751
Pallion Retail Park Woodbine Terrace Sunderland	15/05/2017	<p>The property comprises a retail warehouse park extending to a total current gross internal area of c.131,349 sq ft arranged across 8 units (including one double unit) ranging in size from c.4,000 sq ft to c.31,300 sq ft.</p> <p>The property is arranged on a split level site with the upper section (Units A-C) having recently been reconfigured and extended. The lower section contains a further 5 units.</p> <p>In addition, a food pod unit extending to c.1,800 sq ft. is currently under construction and is to be occupied by Costa on completion.</p> <p>The units are of steel portal frame construction with a combination of cavity brick and profile metal sheet elevations beneath a pitched profile metal sheet roof incorporating translucent roof panels.</p> <p>Built: 1980's.</p> <p>Tenure: Freehold.</p>	<p>The property is multi let to 6 tenants by way of 7 leases. Leases expire between September 2018 and January 2032. The leases are drawn on full repairing and insuring terms with several subject to rent reviews.</p> <p>Tenants include Matalan, B&M, Dunelm and Iceland Foods.</p> <p>There is a licence in respect of a burger van on site which is due to expire in October 2018. Costa have entered into an Agreement for Lease on a new build pod unit, for a term of 15 years subject to a tenant break option in year 10 with Practical Completion due in January 2018.</p> <p>The weighted unexpired lease term is 8.08 years (to breaks).</p>	£1,674,924

SCHEDULE B TO THE VALUATION REPORT

THE NEW PORTFOLIO

Address	Date inspected	Description age and tenure	Terms of main tenancies	Current net annual rent receivable	Market Value as at 31 October 2017
Widnes Shopping Park, Widnes	12/10/2017	<p>The property comprises a retail warehouse shopping park of 12 units, a Gala Bingo Hall and a drive-thru restaurant arranged in an 'L' formation around a central car park on two levels. The total current gross internal area is c.235,780 sq ft (incl. mezzanine accommodation) with units ranging in size from c.1,353 sq ft to c.61,171 sq ft.</p> <p>The property itself is arranged on a split level site sloping downward in the southwest corner. Here consists the Lower deck car park undercroft and Lower ground floor accommodation occupied by Marks & Spencer (Unit 1 and 8) and the Vacant Unit (Unit 9/10), which is a former BHS store and has been separated from Unit 3 located above, occupied by Outfit.</p> <p>The units comprise generally of steel portal frame construction with a mixture of cavity brick walls and various cladding styles to the elevations, beneath a flat roof with parapet walls to the perimeter. The units generally have a glazed, powder coated aluminium framed entrance with advertising fascia above.</p> <p>Tenure: Part Leasehold and Part Freehold. Built: 1970's – 2010.</p>	<p>The property is multi let to 13 tenants by way of 13 leases. Leases expire between November 2019 and March 2035. The leases are drawn on full repairing and insuring terms with several subject to rent reviews (Incl. fixed uplifts on the M&S).</p> <p>Tenants include M&S, Next, Boots, New Look, Wilkinson, River Island, Halfords, KFC, Costa, The Carphone Warehouse, Poundland, Gala Leisure and Outfit.</p> <p>There is a rent, service charge and rate guarantee in place for the Vacant Unit (9/10) for a two year period, based on a rent of £177,938 per annum.</p> <p>The weighted unexpired lease term is 5.86 years (to breaks).</p>	£3,004,087	£46,000,000

Address	Date inspected	Description age and tenure	Terms of main tenancies	Current net annual rent receivable	Market Value as at 31 October 2017
Wombwell Lane Retail Park, Barnsley,	10/10/2017	<p>The property comprises a retail warehouse park extending to a gross internal area of 80,425 sq ft (97,329 sq ft, including mezzanine areas) arranged over six units. The units range in size from 5,046 sq ft to 25,353 sq ft, constructed in two phases comprising a terrace of four units and an adjacent development of two units.</p> <p>The units are of steel portal frame and block construction with brick elevations at lower level surmounted by profile sheet plastisol coated cladding beneath pitched profile sheet roof coverings incorporating light levels. Floors are concrete.</p> <p>Typically, the individual units incorporate a glazed customer entrance to the front elevation overlooking the car park with a warehouse area/loading access and service yard beyond to the rear.</p> <p>Internally, the units provide a combination of block built amenity blocks and mezzanine structures providing additional storage and retail space. The units have been configured to suit the individual occupier's requirements, typically incorporating retail fixtures and fittings throughout.</p> <p>The car park provides approximately 400 car parking spaces in total.</p> <p>Tenure: Freehold. Built: 1990's.</p>	<p>The property is multi let to six tenants by way of six separate leases. Leases expire between September 2019 and September 2027. The leases are typically drawn on full repairing and insuring terms, several of which are subject to rent reviews.</p> <p>Tenants include Dunelm, Harveys, Poundworld, Pets at Home, B & M and Carpetright.</p> <p>In addition, there is a temporary letting of a recycling unit located in the car park area which is due to expire in February 2018.</p> <p>The weighted unexpired lease term is to 4.62 years to breaks and 5.61 years to expiries.</p>	£863,850	£11,500,000

Address	Date inspected	Description age and tenure	Terms of main tenancies	Current net annual rent receivable	Market Value as at 31 October 2017
Kingston Retail Park, Kingston Road, Hull	09/10/2017	<p>The property comprises a retail warehouse park extending to a total current gross internal area of 126,847 sq ft arranged across 13 units (including one kiosk unit) ranging in size from c. 2,000 sq ft to 24,000 sq ft.</p> <p>The park is arranged as two linear terraces, with 5 of the units in the western terrace and 6 units in the eastern terrace. In addition there is one standalone 'kiosk' style unit to the north of the eastern terrace. Several of the terraced units have been extended to the rear to provide additional storage space.</p> <p>The units are of steel frame construction. Externally, the elevations are predominantly clad with composite metal panels, with brick at low level and to the feature corners. The units are surmounted by pitched / hipped metal clad roofs, which incorporate translucent light panels to a number of the units.</p> <p>There is a feature entrance to each unit of metal construction which provides signage and a covered entrance. Each unit has a double glazed entrance with a manual or electric door, set in metal frames. There are display areas to either side of the entrance to the majority of the units.</p> <p>Tenure: Freehold. Built: 1989.</p>	<p>The property is let to 10 tenants by way of 10 leases, which expire between January 2020 and April 2031. The leases are drawn on full repairing and insuring terms, by way of service charge, with several units subject to rent reviews.</p> <p>There are currently two vacant units (Unit 5A & Unit 5C), the tenant of Unit 5B who will vacate this unit on 17 November 2017 after exercising the break option under the lease. The vendor is providing 2 years rent, rates and service charge guarantee on these units totalling some £393,520 per annum for 2 years.</p> <p>Tenants include B&M, Boots, Carphone Warehouse, Toys R Us and Home Bargains.</p> <p>The weighted unexpired lease term is 6.00 years (to breaks).</p>	£2,088,241	£29,000,000

Address	Date inspected	Description age and tenure	Terms of main tenancies	Current net annual rent receivable	Market Value as at 31 October 2017
Prestatyn Shopping Park, Prestatyn	09/10/2017	<p>Prestatyn Shopping Park comprises 13 retail warehouse units arranged over 3 terraces, a standalone supermarket with petrol filling station and a Grade II listed former railway station and goods shed, now used as a retail unit. Total accommodation extents to 166,750 sq ft (excluding mezzanines).</p> <p>The main terrace of retail warehousing, comprising units 1 to 6 is located to the north boundary, with the standalone Tesco Supermarket (Unit 12) to the east. A small terrace of units 7 to 9 are located to the west of the car park and a terrace comprising 4 units from 13 to 16 are located to the south. The petrol filling station and former Station building are located in the north west corner of the site. There are no units known as 10 or 11 forming the property.</p> <p>Units are of steel portal frame construction with composite panel elevations, beneath a composite panel roof and have a mix of partial and full height single glazed metal frame frontages.</p> <p>Tenure: Freehold. Built: 2012-2015.</p>	<p>The property is let to 15 tenants by way of 15 leases, which expire between September 2022 and December 2047. The leases are drawn on full repairing and insuring terms, by way of service charge, with several units subject to rent reviews</p> <p>Tenants include Tesco, Marks and Spencer, River Island, Poundland, New Look, Next, Boots, Costa and TK Maxx.</p> <p>The lease to Tesco Stores Ltd is currently paying £1,310,862 per annum, which constitutes c.40% of the total current net annual income receivable, and is subject to 5-yearly reviews linked to the RPI, subject to a cap (2%) and collar (4%) in years 2-5, calculated on an annual compound basis. The next review is dated 3 December 2017 and we calculate that the rent will increase to a minimum of £1,482,410 per annum, based on the latest RPI information available, up to September 2017.</p> <p>The weighted unexpired lease term is 9.78 years (to breaks).</p>	£3,321,979	£57,500,000

PART 8

FINANCIAL INFORMATION ON THE GROUP

1. Introduction

The statutory accounts of the Group for the financial period ended 30 September 2014 and the two years ended 30 September 2016, in respect of which the Company's auditors, Grant Thornton UK LLP of 30 Finsbury Square, London EC2P 2YU, who are members of the Institute of Chartered Accountants in England and Wales, made an unqualified report under section 495 or section 497 of the Act, did not contain any statement under section 498(2) or (3) of the Act. Copies of the statutory accounts of the Group for the financial period ended 30 September 2014 and the two years ended 30 September 2016, together with a copy of the Group's unaudited half yearly reports and accounts for the six months ended 31 March 2016 and 31 March 2017, are incorporated by reference into this document and 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.

2. Historical financial information

Historical financial information relating to the Group on the matters referred to below is included in the published annual reports and audited accounts of the Group and in the unaudited half yearly reports and accounts of the Group for the six months ended 31 March 2016 and 31 March 2017 as set out in the table below and is expressly incorporated by reference into this document. The non-incorporated parts of these annual reports and accounts and half yearly reports and accounts of the Group are either not relevant to investors or covered elsewhere in this document.

<i>Nature of information</i>	<i>Statutory Accounts for period ended 30 September 2014 Page No.</i>	<i>Statutory Accounts for year ended 30 September 2015 Page No.</i>	<i>Statutory Accounts for year ended 30 September 2016 Page No.</i>	<i>Half yearly report for six months ended 31 March 2016 Page No.</i>	<i>Half yearly report for six months ended 31 March 2017 Page No.</i>
Chairman's Statement	2-3	4-5	4-5	4-5	4-5
Investment Manager's Review	—	6-7	10-11	6-9	6-7
Property Portfolio	—	16-19	2-3	2-3	2-3
Directors' Report	8-10	28-33	24-29	—	—
Consolidated Statement of Comprehensive Income	14	44	40	11	9
Consolidated Statement of Financial Position	15	45	41	12	10
Consolidated Statement of Changes in Equity	16	46	42	13-14	11-12
Consolidated Cash Flow Statement	17	47	43	15	13
Notes to the consolidated financial statements	18-23	48-61	44-62	16-22	14-19
Independent Auditor's report	13	41-43	37-39	—	—

3. Selected financial information

The information in this paragraph 3 is information on the Group and has been extracted directly, on a straight forward basis, from the financial information referred to in paragraph 2 of this Part 8. Selected historical financial information which summarises the financial condition of the Group for the financial period ended 30 September 2014 and the two years ended 30 September 2016 is set out in the following table:

	<i>Period ended 30 September 2014</i>	<i>Year ended 30 September 2015</i>	<i>Year ended 30 September 2016</i>
Net asset value			
Net assets (£'000)	50	136,586	137,331
Equity shareholders' funds (£'000)	50	136,586	137,331
Net asset value per Ordinary Share (p)	100.00	106.49	107.07
Consolidated Statement of Comprehensive Income			
Rental income (£'000)	—	5,901	11,323
Profit for the period (£'000)	—	12,893	7,799
Basic earnings per Ordinary Share (p)	—	13.43	6.08
NAV/share price returns			
Net asset value total return	—%	13.7%	6.1%
Ordinary share price total return	—%	14.3%	(0.5)%

Selected historical financial information which summarises the financial condition of the Group for the six months ended 31 March 2016 and 31 March 2017 is set out in the following table:

	<i>Six months ended 31 March 2016</i>	<i>Six months ended 31 March 2017</i>
Net asset value		
Net assets (£'000)	137,513	141,218
Equity shareholders' funds (£'000)	137,513	141,218
Net asset value per Ordinary Share (p)	107.21	109.67
Condensed Consolidated Statement of Comprehensive Income		
Rental income (£'000)	5,225	6,022
Profit for the period (£'000)	4,455	6,888
Basic earnings per Ordinary Share (p)	3.47	5.36

4. Operating and financial review

A description of changes in the performance of the Group, both capital and revenue, and changes to the Property Portfolio are set out in the sections headed "Chairman's Statement", "Investment Manager's Review" and "Property Portfolio" in the published statutory accounts and the unaudited half yearly accounts of the Group as follows and are expressly incorporated by reference into this document.

<i>Nature of information</i>	<i>Statutory Accounts for period ended 30 September 2014 Page No.</i>	<i>Statutory Accounts for year ended 30 September 2015 Page No.</i>	<i>Statutory Accounts for year ended 30 September 2016 Page No.</i>	<i>Half yearly report for six months ended 31 March 2016 Page No.</i>	<i>Half yearly report for six months ended 31 March 2017 Page No.</i>
Chairman's Statement	2-3	4-5	4-5	4-5	4-5
Investment Manager's Review	—	6-7	10-11	6-9	6-7
Property Portfolio	—	16-19	2-3	2-3	2-3

5. Significant change

Since 31 March 2017 (being the end of the last financial period of the Company for which financial information has been published), there has been no significant change in the financial or trading position of the Group other than as disclosed below.

<i>Property</i>	<i>Value (£)</i>	<i>Purchase/Sale</i>
Cutlers Gate, Sheffield	20.17 million	Sale
Pallion Retail park, Sunderland	25.60 million	Purchase
Phoenix, Reading	20.51 million	Sale

6. Working capital

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of this document.

7. Net asset value

The unaudited Adjusted NAV per Share was 110.21 pence as at 31 October 2017.

8. Capital resources

The Company currently has 130,993,931 Ordinary Shares in issue and, if the Share Issue is fully subscribed and becomes unconditional and the Acquisition completes the Company will have 280,993,931 million Ordinary Shares in issue. The Company does not hold any Ordinary Shares in treasury. On its launch in October 2014 the Company raised gross proceeds of £95 million. On 21 January 2015 the Court confirmed the cancellation of the entire amount standing to the credit of the Company's share premium account and the creation of a special reserve, the balance of which may be treated as distributable profits for all purposes including the payment of dividends. As at 31 March 2017 the special reserve was approximately £84.91 million. The Company also raised approximately £35.9 under its previous 12 month placing programme which commenced in June 2015. In June 2017 the Company completed the sale of a single let office known as Sheffield, Cutlers Gate, for £20.17 million and in August 2017, the Company sold its multi-let office asset in Reading, for £20.51 million. As at 31 March 2017 the Company had cash and cash equivalents, held in sterling, of approximately £11.97 million. Cash inflows and outflows for the Group in the six months ended 31 March 2017 and the sources and amounts of those cashflows are set out in the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Cash Flow Statement and related notes in the half yearly report and accounts of the Company to 31 March 2017 (pages 9 and 13 respectively) which are expressly incorporated by reference into this document. On 6 May 2015, the Existing Property Subsidiary entered into a ten year £40 million secured term loan agreement with Aviva which was subsequently extended to approximately £52.42 million in January 2016 and to approximately £57 million in June 2017. This entire facility is now drawn down. As at 15 November 2017, £4.5 million set aside for ongoing working capital requirements and to be used to facilitate anticipated asset management opportunities on existing properties.

To fund the Acquisition, the Company will use its existing cash reserves available for investment of £20.3 million, the net proceeds of the Share Issue (the minimum amount that is required to be raised is £37.1 million), the issue of the Vendor Shares with a value of £36.5 million and the New Facility of up to a maximum of £54.16 million to fund the Acquisition. On the assumption that the Acquisition completes, the level of the Company's borrowings will depend on the net proceeds of the Share Issue. On completion of the Acquisition the Group's total borrowings could increase up to a maximum of £111.08 million (consisting of the Existing Facility and the New Facility) and its gearing could increase up to the maximum upper limit within the Company's investment policy of 35 per cent. The Group will only draw down funds under the New Facility Agreement on completion of the Acquisition. Therefore if Initial Admission does not occur, the New Portfolio will not be acquired and the New Facility will not be drawn down. Further details of the Existing Facility and the New Facility are set out on page 126 of this document.

The Proposals will constitute a significant gross change in relation to the Group. Had the Share Issue and the Acquisition been undertaken on 31 March 2017 the effect of this significant gross change would have been to increase the total assets of the Group by approximately £132.45 million and to increase the net assets of the Group by approximately £92.22 million. Had the Share Issue and the Acquisition

been undertaken on 1 October 2015, the effect would have been to increase the earnings of the Group by approximately £4.56 million. Further details of this effect of this gross significant change are provided in Part 9 of this document.

9. Capitalisation and indebtedness

The following table shows the capitalisation and indebtedness of the Group (distinguished between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 March 2017, the latest date in respect of which unaudited half yearly financial information on the Group has been published and as at 30 September 2017:

	<i>As at 31 March 2017 £'000</i>	<i>As at 30 September 2017 £'000</i>
Current Debt		
Guaranteed	—	—
Secured	—	—
Unguaranteed/Unsecured	—	—
Total non-current debt		
Guaranteed	—	—
Secured	52,420	56,920
Unguaranteed/Unsecured	—	—
Shareholders' equity funds		
Share capital	1,288	1,310
Capital redemption reserve	—	—
Other reserves*	139,930	144,506
Total	<u>141,218</u>	<u>145,816</u>

* Includes the Group's revenue and capital reserves.

The information in the table above is unaudited financial information on the Group as at 31 March 2017 and as at 30 September 2017 and in each case has been extracted from internal management accounting records.

The following table shows the Group's net indebtedness as at 30 September 2017.

	<i>£'000</i>
A. Cash	24,652
B. Cash equivalent*	5,520
C. Trading securities	—
D. Liquidity (A + B + C)	30,172
E. Current financial receivable	—
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	—
I. Current financial indebtedness (F + G + H)	—
J. Net current financial indebtedness (I – E – D)	30,172
K. Non-current bank loans	(56,920)
L. Bonds issued	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K + L + M)	(56,920)
O. Net financial indebtedness (J + N)	(26,748)
Indirect indebtedness	—
Contingent indebtedness	—

*This is cash held on deposit with Aviva which can only be used for property acquisitions (and will be used as part funding of the Acquisition).

The information in the table above is unaudited financial information of the Group and has been extracted from internal management accounting records as at 30 September 2017 and has not been reported on by an accountant.

PART 9

UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A: UNAUDITED PRO FORMA FINANCIAL INFORMATION RELATING TO THE GROUP

The following unaudited pro forma financial information is provided to show the effect of the Acquisition, the Share Issue and maximum drawdown under the New Facility on the net assets of the Group as if they had occurred on 31 March 2017 and on the earnings of the Group for the year ended 30 September 2016 as if they had occurred on 1 October 2015. The unaudited pro forma financial information has been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Rules and, because of its nature, addresses a hypothetical situation and therefore does not represent the actual financial position or results of the Group. It may not, therefore, give a true picture of the Group's financial position or results after the Acquisition has occurred nor is it indicative of the results that may, or may not, be expected to be achieved in the future.

The pro forma financial information has been prepared on a basis consistent with the IFRS accounting policies adopted by the Group in its published half yearly unaudited accounts for the period ended 31 March 2017.

Unaudited Consolidated Statement of Comprehensive Income for the period ended 30 September 2016

	<i>The Group</i> <i>Note 1</i> <i>£'000</i>	<i>Borrowing costs associated with the New Facility</i> <i>Note 2</i> <i>£'000</i>	<i>The SPVs</i> <i>Note 3</i> <i>£'000</i>	<i>Expenses relating to the Acquisition</i> <i>Note 4</i> <i>£'000</i>	<i>Unaudited pro forma comprehensive income</i> <i>£'000</i>
Revenue			7,634		7,634
Rental income	11,323				11,323
Total revenue	11,323	0	7,634	0	18,957
Unrealised gain on revaluation of investment properties	231		(9,468)	9,468	231
Total income	11,554	0	(1,834)	9,468	19,188
Investment management fee	(1,309)			(935)	(2,244)
Other expenses	(958)		(1,364)	413	(1,909)
Total expenditure	(2,267)	0	(1,364)	(522)	(4,153)
Profit before finance costs and taxation	9,287		(3,198)	8,946	15,035
Interest receivable	65		283	(283)	65
Interest payable	(1,553)	(1,183)	(9,348)	9,348	(2,736)
Profit before taxation	7,799	(1,183)	(12,263)	18,011	12,363
Taxation	0	0	0	0	0
Profit and total comprehensive income for the period	7,799	(1,183)	(12,263)	18,011	12,363

Notes:

1. The statement of comprehensive income of the Group for the 12 month period to 30 September 2016 has been extracted, without adjustment, from the annual financial reports and accounts of the Group to 30 September 2016. Further details of the annual report and accounts to 30 September 2016 are set out in Part 8 of this document.
2. The New Facility of up to £54.16 million will, subject to raising the Minimum Issue Proceeds, be available to draw down to fund, in part, the Acquisition. To retain an average loan to value of 30 per cent., approximately £38.3 million is expected to be drawn to fund, in part, the Acquisition. Costs associated with arranging the New Facility will be deferred and amortised over its ten year term. Interest will be charged at 1.50 per cent. above the prevailing Treasury 4.25 per cent. 2027 10-10.99 year Gilt Rate and an all-in rate of 3.09 per cent. has been used to calculate the annual interest.
3. This represents the Combined Statements of Comprehensive Income for the 12 months to 31 December 2016 for the SPVs being acquired, being the most up to date and accurate source of information. These financial statements were prepared under UKGAAP and have been restated to IFRS on an aggregated basis. Further details of the annual report and accounts of the SPVs to 31 December 2016 are set out in the Annex of this document as is the aggregated restated financial information.
4. As part of the Acquisition, part of the consideration will be used by the SPVs to repay the intragroup debt amounts that are owed to certain members of the Vendors' group. On completion therefore the amount of intragroup debt owed by the SPVs and their obligations to pay interest on that debt will be eliminated in its entirety and will therefore not be relevant to the Group. As the Group's gross and net assets increase, the total expenditure will increase. In particular the investment management fee will increase by £935,000 given it is calculated as a percentage of the net asset value of the Company. In addition, £413,000 of administrative expenses of the SPVs, will not apply to the Group as they relate to fees charged under previous ownership and have therefore been deducted. The Group expects each of the adjustments to have a continuing impact.
5. Other than those noted above, no further adjustments have been made to the Group for transactions after 30 September 2016. The Company sold a property at Cutlers Gate, Sheffield for £20.165m million in June 2017 and a property at Phoenix, Reading for £20.51 million in August 2017 and acquired Pallion Retail Park for £25.60 million in June 2017. As a result of these transactions, the passing rent of the Group decreased by just over £0.6 million.

Unaudited pro forma statement of net assets of the Group as at 31 March 2017

	<i>The Group as at 31 March 2017 Note 1 £000</i>	<i>Estimated net proceeds of the Share Issue Note 2 £000</i>	<i>Increase in debt Note 3 £000</i>	<i>The SPVs as at 31 December 2016 Note 4 £000</i>	<i>Adjustments in relation to the Acquisition Note 5 £000</i>	<i>Unaudited pro forma net assets £000</i>
Non-current assets						
Investment properties	180,239			146,000		326,239
	180,239	0	0	146,000	0	326,239
Current assets						
Lease incentives	4,501					4,501
Trade and trade receivables	49			11,615	(4,869)	6,795
Cash and cash equivalents	11,967	88,657	37,764	1	(144,716)	(6,327)
	16,517	88,657	37,764	11,616	(149,585)	4,969
Total assets	196,756	88,657	37,764	157,616	(149,585)	331,208
Current liabilities						
Trade and other payables	(3,718)			(247,157)	244,686	(6,189)
	(3,718)	0	0	(247,157)	244,686	(6,189)
Non-current liabilities						
Borrowings	(51,820)		(37,764)			(89,584)
Other payables					(2,000)	(2,000)
	(51,820)	0	(37,764)	0	(2,000)	(91,584)
Total liabilities	(55,538)	0	(37,764)	(247,157)	242,686	(95,773)
Net assets	141,218	88,657	0	(91,541)	93,101	233,435

Notes:

- The net assets of the Group as at 31 March 2017 have been extracted without adjustment from its unaudited interim financial statements for the 6 months ended 31 March 2017.
- The adjustment in Note 2 is based on the weighted average New Facility loan to value being no more than 30 per cent. at the time of drawdown. On the assumption that the net proceeds receivable by the Company would be approximately £88.7 million (£90.5 million gross proceeds less the direct costs of the Share Issue of £1.8 million). The Company intends to use the proceeds of the Share Issue towards the funding, in whole or in part, of the Acquisition.
- The adjustment in Note 3 reflects the receipt of the net proceeds of the debt drawdown on completion of the Acquisition of approximately £37.7 million. The proceeds represent the gross draw down of £38.3 million less costs of debt and will be used to fund, in part, the Acquisition.
- The net assets of the SPVs have been extracted without adjustment from the aggregated, restated historical financial information as set out in the Annex to this document. Whilst these financial statements state a value of £146 million in respect of the New Properties, the property valuation by the valuer is £144 million as noted in the investment properties above. It is expected that a further £2 million will be paid to the Vendors once they successfully extend the term of the leasehold interest of the Widnes Retail Park.
- The adjustments in Note 5 reflect the consideration of the Acquisition of £144 million plus costs of acquiring the New Properties which are being settled from cash resources. In addition, the intra group loans of £244.7 million and intragroup debtors of £4.9 million of the SPVs will be waived or settled as part of the consideration. It is expected that a further £2 million will be paid to the Vendors once they successfully extend the term of the leasehold interest of the Widnes Retail Park which has been reflected in the pro forma financial information, within other payables.
- Other than those noted above, no further adjustments have been made to the Group for transactions after 31 March 2017. The Company sold the property at Cutlers Gate, Sheffield for £20.165 million in June 2017 and the property at Phoenix, Reading for £20.51 million in August 2017 and acquired Pallion Retain Park, Sunderland, for £25.60 million in June 2017. As a result of these transactions, the cash balance increased by almost £14.8 million. In addition, debt of £4.5m was drawn following the acquisition of Pallion Retain Park, Sunderland.

SECTION B: REPORT BY GRANT THORNTON LLP ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION RELATING TO THE COMPANY



Transaction Advisory Services

Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol BS1 6FT

T +44 (0)117 305 7600
F +44 (0)117 305 7785
grantthornton.co.uk

The Directors
Ediston Property Investment Company PLC
Level 13 Broadgate Tower
20 Primrose Street
London
EC2A 2EW

20 November 2017

Dear Sirs

Ediston Property Investment Company PLC (the Company) and its Subsidiary Undertakings (together the Group)

Stadium (Widnes) Limited, Stadium Prestatyn (South) Limited, Stadium (Prestatyn) Limited, Stadium (Barnsley) Limited and Kingston Upon Hull Retail Park Limited (together the Target Entities)

Together the Group and the Target Entities will form the Enlarged Group

We report on the pro forma financial information (the "Pro Forma Financial Information") set out in this Part 9 of the Company's prospectus dated 20 November 2017 (the "**Prospectus**"), which has been prepared on the basis described in the introduction to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the fund raise, debt drawdown and acquisition of the Target Entities might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 March 2017.

This report is required by item 7 of Annex II of Appendix 3 of the Financial Conduct Authority's Prospectus Rules (the "**Prospectus Rules**") and is given for the purpose of complying with that item 7 of Annex II to Appendix 3 of the Prospectus Rules and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "**Directors**") to prepare the Pro Forma Financial Information in accordance with items 1-6 of Annex II to Appendix 3 of the Prospectus Rules.

It is our responsibility to form an opinion, as required by item 7 of Annex II to Appendix 3 of the Prospectus Rules, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Appendix 3 of the Prospectus Rules, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do

we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to Appendix 3 of the Prospectus Rules.

Yours faithfully

Grant Thornton LLP

PART 10

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 UK 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 as a REIT

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 a normal dividend. Any normal dividend paid by the Company is referred to as a "Non-PID Dividend".

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

The Company joined the UK group REIT regime with effect from 31 October 2014.

In order to qualify as a REIT, the Company was required to satisfy certain conditions. A non-exhaustive summary of the material conditions which had to be satisfied 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 admitted to trading 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 from the Company condition for the first three years following entry into the REIT regime. For the purposes of the 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 restricted 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 continuing to satisfy the above conditions, the Company must satisfy the conditions summarised below on an on-going basis 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 that 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.

Certain tax implications of REIT status

(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) Distributions to or in respect of a Substantial Shareholder

A REIT may become subject to an additional tax charge if it pays a distribution to corporate shareholders that are beneficially entitled to 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 accordance 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, in general UK corporate and UK tax-exempt bodies (such as SIPPs and ISAs). Where distributions are made to shareholders resident in a country that holds 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

A REIT can give notice to HMRC that it wishes to leave the REIT regime at any time.

HMRC can, in certain circumstances, also give the Company notice that it must leave the REIT regime. This may have effect retrospectively.

It is important to note that the Company is 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 occur 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.

If the Company exits the REIT regime either voluntarily or as a result of HMRC issuing a notice while it has been a member of the REIT regime for less than ten years, different rules apply, particularly with respect to the tax consequences of leaving the regime and the timing that exiting the regime will take effect from.

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. Except where otherwise indicated, this section applies only to Shareholders who are solely resident in the UK for tax purposes; 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.

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

UK taxation of Non-PID Dividends

Non-PID Dividends paid by the Company are treated as ordinary corporate dividends for UK tax purposes.

UK resident individuals are entitled to a £5,000 (fiscal year 2017/2018) annual tax free dividend allowance. Non-PID Dividends received in excess of this threshold will be taxed, for the fiscal year 2017/2018 at 7.5 per cent. (basic rate tax payers), 32.5 per cent. (higher rate taxpayers) and 38.1 per cent. (additional rate taxpayers). Finance Bill 2017-19 contains provisions which would reduce this allowance to £2,000 from the tax year 2018/2019 onwards.

In general, UK resident corporate Shareholders (other than dealers and certain insurance companies) are not liable to UK corporation tax or UK income tax in respect of Non-PID Dividends, except in certain circumstances.

Non-UK resident Shareholders may be subject to tax on Non-PID Dividends income under any law to which they are subject outside the UK. Under current legislation, no withholding tax will be deducted from Non-PID Dividends paid by the Company.

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.

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

Any gain on disposal (by sale, transfer or redemption) of Ordinary Shares by Shareholders resident in the UK for taxation purposes will be subject to UK 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 an annual exemption (£11,300 for 2017/2018) or allowable losses, whereas companies subject to UK corporation tax may have their gains reduced by an indexation allowance. Indexation allowance cannot create or increase an allowable loss.

Capital gains made (save for gains arising on the disposal of residential property or of "carried interest") by an individual in excess of the annual exemption will be chargeable to UK capital gains tax at the current rates of 10 per cent. for individual Shareholders who are chargeable to UK income tax at the basic rate and 20 per cent. for individual Shareholders taxable at the higher or additional rate of income tax.

A Shareholder who is an individual resident in the UK but 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.

Corporate shareholders who are resident in the UK for tax purposes will typically be subject to UK corporation tax (currently at the rate of 19 per cent.) on any chargeable gains.

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

The Ordinary Shares will be a qualifying investment for an ISA, provided they are acquired by an ISA plan manager pursuant to the Open Offer, Offer for Subscription or the Intermediaries 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.

For the 2017/2018 tax year ISAs have an overall subscription limit of £20,000, all of which can be invested in stocks and shares.

In addition, the Company expects that, 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 or the eligibility of the Ordinary Shares in your ISA, SSAS or SIPP you should consult your professional adviser.

PART 11

GENERAL INFORMATION

1. General

- 1.1. The Company was incorporated and registered in England and Wales on 17 June 2014 and is a public limited company, with registered number 09090446. The Company operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office is at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is at 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 Companies Act (and the regulations from time to time made thereunder), the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Prospectus Rules, the Company is not an authorised or regulated entity.
- 1.2. The Existing Property Subsidiary is a private company limited by shares and was incorporated and registered in England and Wales with registered number 09106328 on 27 June 2014. The Existing Property Subsidiary operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office is at Level 13 Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is at 39 George Street, Edinburgh EH2 2HN (telephone number: +44(0)131 225 5599). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the Existing Property Subsidiary is not an authorised or regulated entity. The Existing Property Subsidiary is a wholly-owned subsidiary of the Company. The Existing Property Subsidiary has an issued share capital of £123,680,268 divided into 123,680,268 ordinary shares of £1.00 each of which is fully paid and legally and beneficially held by the Company. The directors of the Existing Property Subsidiary are the same as the Company. The articles of association of the Existing Property Subsidiary provide the Company, as its sole shareholder, with full control over the Existing Property Subsidiary including the right to remove the board of directors of the Existing Property Subsidiary.
- 1.3. The New Property Subsidiary is a private company limited by shares and was incorporated and registered in England and Wales with registered number 10978359 on 23 September 2017. The New Property Subsidiary operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office is at Level 13 Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is at 39 George Street, Edinburgh EH2 2HN (telephone number: +44(0)131 225 5599). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the New Property Subsidiary is not an authorised or regulated entity. The New Property Subsidiary is a wholly-owned subsidiary of the Company. The New Property Subsidiary has an issued share capital of £1.00 being one ordinary share of £1.00 which is fully paid and legally and beneficially held by the Company. The directors of the New Property Subsidiary are the same as the Company. The articles of association of the New Property Subsidiary provide the Company, as its sole shareholder, with full control over the New Property Subsidiary including the right to remove the board of directors of the New Property Subsidiary.
- 1.4. The AIFM is a private company limited by shares and was incorporated and registered in England and Wales with registered number 09626337 on 5 June 2015. The AIFM operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office is at Level 13 Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is 39 George Street, Edinburgh EH2 2HN (telephone number: +44(0)131 225 5599). The AIFM is authorised and regulated by the FCA.
- 1.5. The Manager is a private company limited by Shares and was incorporated and registered in England and Wales with registered number 04910369 on 24 September 2003. The Manager operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office is at Level 13 Broadgate Tower, 20 Primrose Street, London EC2A 2EW and its principal place of business is 39 George Street, Edinburgh EH2 2HN (telephone number: +44(0)131 225 5599). The Manager is not an authorised or regulated entity.

- 1.6. The Administrator is a private company limited by shares and was incorporated and registered in England and Wales with registered number 07777299 on 16 September 2011. The Administrator operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office is Berkshire House, 168-173 High Holborn, London, WC1V 7AA. The Administrator's principal place of business is at 20 Forth Street, Edinburgh EH1 3LH (telephone number: +44(0)131 550 3765).
- 1.7. The Valuer is a limited liability partnership and was incorporated and registered in England and Wales with registered number OC305934 on 3 November 2003. The Valuer operates under the Limited Liability Partnership Act 2000 and the Companies 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 issued share capital of the Company (all of which will be fully paid-up) as at the date of this document and immediately following the Proposals (on the assumption that 150 million New Shares are issued in aggregate pursuant to the Share Issue and Vendor Issue and 60 million New Shares are issued pursuant to the Placing Programme) will be as follows:

	<i>No. of Shares</i>	<i>Nominal Value</i>
<i>As at the date of this document</i>		
Ordinary Shares	130,993,931	£1,309,939.31
<i>Immediately following the Share Issue and the issue of the Vendor Shares</i>		
Ordinary Shares	280,993,931	£2,809,939.31
<i>Immediately following the Share Issue, the issue of the Vendor Shares and the Placing Programme</i>		
Ordinary Shares	340,993,931	£3,409,939.31

- 2.2. In the financial period from incorporation to 30 September 2014 the Company issued 50,000 Ordinary Shares. In the financial year to 30 September 2015 the Company issued 128,213,931 Ordinary Shares. In the financial year to 30 September 2016 the Company issued nil Ordinary Shares. Since 30 September 2016 the Company has issued 2,730,000 Ordinary Shares. Save for these issues no other changes have occurred in the share capital of the Company since incorporation.
- 2.3. No share or loan capital of the Company has been issued or agreed to be issued nor, save in connection with the Share Issue, is proposed to be issued, for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital.
- 2.4. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.5. The Company has authority to make market purchases of up to 19,301,713 Ordinary Shares (being approximately 14.99 per cent. of the number of Ordinary Shares in issue as at 1 March 2017 being the date on which such authority was granted by special resolution) in compliance with the Companies Act. The Company may retain any shares so purchased as treasury shares for future re-issue and re-sale or transfer or may cancel any such shares.
- 2.6. As at 17 November 2017 (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.

3. Share capital authorities

- 3.1 At the annual general meeting held on 1 March 2017, the Directors were authorised as follows:
- (i) generally and unconditionally pursuant to section 551 of the Companies Act, to allot Ordinary Shares up to an aggregate nominal amount of £141,090 (such authority to expire

at the conclusion of the Company's next annual general meeting or on the expiry of 15 months from the passing of the resolution, whichever is the earlier);

- (ii) pursuant to sections 570 and 573 of the Act, to allot equity securities (as defined in section 560 of the Companies Act) and to sell Ordinary Shares held by the Company in treasury up to an aggregate nominal amount of £141,090, wholly for cash pursuant to the authority noted in paragraph (i) above as if sub-section 561(1) of the Companies Act did not apply to any such allotment or sale, such authority to expire at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of the resolution, whichever is the earlier; and
- (iii) in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Shares provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the Ordinary Shares in issue as at the date of the passing of the resolution, being 19,301,713 Ordinary Shares. The minimum price which may be paid for an Ordinary Share is one penny. The maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) five per cent. above the average of the mid-market value of the Ordinary 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 Ordinary Shares. Such authority will expire at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months after the resolution granting such authority was passed.

3.2 At the General Meeting to be held on 7 December 2017, Shareholders will be asked to authorise the Directors as follows:

- (i) to complete the Acquisition;
- (ii) generally and unconditionally pursuant to section 551 of the Companies Act, to allot Shares up to an aggregate nominal amount of £1,500,000 pursuant to the Share Issue and the Vendor Issue (such authority to expire on 31 December 2017);
- (iii) pursuant to sections 570 and 573 of the Companies Act, to allot equity securities (as defined in section 560 of the Companies Act) and to sell Ordinary Shares held by the Company in treasury, wholly for cash pursuant to the authority noted in paragraph (i) above as if sub-section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this authority is to expire on 31 December 2017 (but so that the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired) and is limited to the allotment of equity securities and the sale of treasury shares for cash up to an aggregate nominal amount of £1,500,000;
- (iv) generally and unconditionally pursuant to section 551 of the Companies Act, to allot Shares up to an aggregate nominal amount of £600,000 pursuant to the Placing Programme (such authority to expire on 30 November 2018); and
- (v) pursuant to sections 570 and 573 of the Companies Act, to allot equity securities (as defined in section 560 of the Companies Act) and to sell Ordinary Shares held by the Company in treasury, wholly for cash pursuant to the authority noted in paragraph (iii) above as if sub-section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this authority is to expire on 30 November 2018 (but so that the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired) and is limited to the allotment of equity securities and the sale of treasury shares for cash up to an aggregate nominal amount of £600,000.

4. Related party transactions

Save for the deeds of indemnity entered into by the Company with the Directors, the AIFM Agreement and the Investment Management Agreement (described in paragraphs 6.6, 8.2 and 8.3 of this Part 11

respectively) the Company was 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 during the financial period to 30 September 2014 or the two financial years to 30 September 2016 in respect of which the Company has published statutory accounts or during the period from 1 October 2016 to the date of this document.

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 12 years after having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

5.5. Return of capital

If the Company is in liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole

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

5.6. Variation of rights

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

5.7. Issue of shares

Subject to the provisions of the Companies 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 to such persons, at such times and on such terms as they think proper.

5.8. Transfer of shares

Subject to the restrictions set out in this paragraph and at paragraph 5.13 below, any member may transfer all or any of his shares in the Company in any manner which is permitted by the Companies 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 ordinary 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 Companies 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 ordinary shares are admitted to the Official List or to trading on AIM, this does not prevent dealings in the ordinary 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 ordinary 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 paragraph 5.13 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 5.13 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

The Company shall hold general meetings as Annual General Meetings in accordance with the requirements of the Statutes (as defined in the Articles) at such time and place as may be determined by the Directors.

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 Companies 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 21 clear days' notice in writing. Subject to the Companies Act, all other general meetings shall be convened on not less than 14 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, an explanation of the right to ask questions in accordance with the Statutes (as defined in the Articles) and an explanation of members' rights to requisition resolutions in accordance with the Companies Act.

Subject to the provisions of the Companies 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 15 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 15 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 members, proxies and corporate representatives wishing to attend cannot be accommodated conveniently 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 conducted properly.

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 Companies 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:

- (i) the chairman of the meeting;
- (ii) at least two members having the right to vote on the resolution; or
- (iii) 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 of directors

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

Remuneration

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

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

Periodic retirement of Directors

At each annual general meeting, any Director who has been appointed by the Board since the previous annual 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:

- (i) the giving of any guarantee, security or indemnity in respect of (a) 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 (b) 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;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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;

- (vi) 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;
- (vii) any contract concerning the adoption, modification or operation of an employees' share scheme; and
- (viii) 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 in 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 (the "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 Companies 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 Companies 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 Companies 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 Companies 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. REIT Status

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, neither the Company nor any member of the Group REIT should be liable to pay tax under section 551 of the CTA 2010 on or in connection with a Distribution.

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 or a Relevant Registered 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.

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 ordinary 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 ordinary shares referred to in paragraph (ii) above the remaining ordinary shares no longer form part of a Substantial Shareholding then the Distribution attributable to such ordinary shares shall be paid.

In addition the Directors may also withhold payment of a Distribution if any person fails to comply satisfactorily with a notice given by the Directors as referred to in the paragraph "Notification of Substantial Shareholder and other status" 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.

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 Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount.

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 in trust for the persons nominated by the relevant Substantial Shareholder in accordance with the Articles, or if no such nomination 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.

Obligation to dispose

If the Directors believe that:

- (i) in respect of any Distribution declared or announced, the condition set out in the paragraph "Distributions in respect of substantial shareholdings" is satisfied in respect of any shares in the Company in relation to that Distribution;
- (ii) a notice given by the Directors pursuant to the paragraph "Notification of Substantial Shareholder and other status" 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 the paragraph “Distributions in respect of substantial shareholdings 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 the paragraph “Excess charge” 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 the paragraph “Excess charge” above) becomes payable.

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 their interests in Shares

- 6.1. The aggregate of the remuneration to be paid and benefits in kind granted to the Directors by the Group for the financial year ended 30 September 2017 did not exceed £117,500.
- 6.2. All of the Directors are non-executive directors. No Director has a service contract with the Company. Each of William Hill, Robin Archibald and Robert Dick has entered into a letter of appointment with the Company dated 27 June 2014. Jamie Skinner has entered into a letter of appointment with the Company dated 14 June 2017. The current period of service for William Hill and Jamie Skinner expires at the annual general meeting of the Company to be held in 2018, subject to renewal at that time. The current period of service for Robert Dick expires at the annual general meeting of the Company to be held in 2019, subject to renewal at that time. The current period of service for Robin Archibald expires at the annual general meeting of the Company to be held in 2020, 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/or the Companies Act 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. No Director receives 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 paid to the Directors in respect of the financial year to 30 September 2016 were £40,000 to William Hill, the Chairman, £35,000 to Robert Dick, the Chairman of the Audit Committee and £32,500 to Robin Archibald. The fees payable to the Directors in respect of the period to 30 September 2017 were £40,000 to William Hill, the Chairman, £35,000 to Robert Dick, the Chairman of the Audit Committee, £35,000 to Robin Archibald and £7,500 to Jamie Skinner for his services from 1 July 2017. The fees are reviewed annually and may be increased in line with usual market rates but are capped at a maximum of £200,000 per annum by the Articles. The Company also pays 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 as a consequence of the Proposals, save that the Directors may be entitled to receive additional fees of up to £30,000 in aggregate for additional work in connection with the Proposals in accordance with the Articles and the published remuneration policy.

- 6.4. No Director has any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Group and which were effected by any member of the Group 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 Group 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 Companies Act and, subject to certain limitations, against liabilities incurred by each of them in the execution of their duties and exercise of their powers as Directors of the Company.
- 6.7. As at the date of this document, other than as disclosed in paragraph 6.8 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.
- 6.8. The Directors do not have any options over Shares. As at the date of this document, the Directors have the following numbers of Ordinary Shares all of which are beneficially held:

	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Robin Archibald	25,000	0.019
Robert Dick	30,000	0.023
William Hill	50,000	0.038
Jamie Skinner	30,000	0.023

- 6.9 In respect of the Share Issue, William Hill has confirmed that he intends to subscribe for his full ISA allowance (being approximately 17,900 New Shares), Jamie Skinner has confirmed he intends to subscribe for 15,000 New Shares, Robert Dick has confirmed that he and/or his wife intend to subscribe for 5,000 New Shares and Robin Archibald has confirmed that he and/or his wife intend to subscribe for the full ISA allowance (being approximately 17,900 New Shares).
- 6.10 Details of those companies 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:

	<i>Current directorships/ partnerships</i>	<i>Previous directorships/ partnerships</i>
Robin Archibald	Albion Technology & General VCT plc Capital Gearing Trust PLC Henderson European Focus Trust plc Shires Income PLC	Albion Income & Growth VCT plc StockBridge Advisers Limited Stewart Ivory Financial Education Trust
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 GP Limited Columbus US Feeder (Scotland) GP Limited Columbus US Feeder GP Limited Croydon Limited Croydon-Gateway Development Company Limited Croyden Gateway GP Limited

	<i>Current directorships/ partnerships</i>	<i>Previous directorships/ partnerships</i>
William Hill (continued)		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 Real Estate Investment Management Limited Schroder Property Kapitalanlagegesellschaft mbH Schroder Property Managers (Jersey) Limited Schroder Property Services B.V. SPRIM Holdings GmbH The New Bracknell Company Limited
Jamie Skinner	Mafeel Limited Martin Currie Inc Martin Currie Japan Absolute Return Fund	Martin Currie Investment Management Limited

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

- (i) 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 6.10;
- (ii) has had any convictions in relation to fraudulent offences for at least the previous five years;
- (iii) save as disclosed in paragraph 6.12 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 6.10 above for at least the previous five years; or
- (iv) 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).

- 6.11. 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.
- 6.12. There are no potential conflicts of interest between any duties of the Directors to the Company and their private interests and/or other duties. All of the Directors are independent of the AIFM and any other company in the same group of companies as the AIFM. 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. The Company is aware of the following persons who were interested in three per cent. or more of the issued share capital of the Company as at 17 November 2017 (being the latest practicable date prior to publication of this document):

	<i>No. of Shares</i>	<i>Percentage of issued share capital</i>
Investec Wealth & Investment Limited	23,299,131	17.8
Old Mutual plc	21,738,311	16.6
Henderson Global Investors	15,000,000	11.5
Momentum Global Investment Management Ltd	9,206,388	7.0
Architas Multi-Manager Limited	9,000,000	6.9
AXA Investment Managers S.A.	8,000,000	6.1
Close Asset Management Limited	6,905,044	5.3
Quilter Cheviot Limited	6,500,000	5.0
Baillie Gifford & Co	6,230,000	4.8

As at 17 November 2017, there were no individual or corporate shareholders which were beneficially entitled to 10 per cent. or more of the share capital or of the distributions paid by the Company or which controlled 10 per cent. or more of the voting power in the Company. In the event that the Acquisition completes, it is expected that two of the Vendors, in aggregate, will own up to 16.59 per cent. of the issued share capital if the Minimum Issue Proceeds are raised and up to 11.62 per cent. if all the New Shares available under the Share Issue are issued.

- 7.2. Save as described above, the Company is not aware of any person who as at 17 November 2017 (being the latest practicable date prior to publication of this document) is or, following the Share Issue, will be interested directly or indirectly in 3 per cent. or more of any class of issued share capital of the Company or of any person or persons who, following the Share Issue, will or could, directly or indirectly, jointly or severally, exercise control over the Company.
- 7.3. No major shareholder of the Company set out above has different voting rights from any other holder of Shares in respect of any Share held by them.
- 7.4. Certain of the key personnel at the Manager (who are responsible for managing the Property Portfolio currently) hold approximately 338,000 Ordinary Shares, in aggregate, and have confirmed that they intend to subscribe for, in aggregate, 200,000 New Shares under the Share Issue.

8. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which are, or may be, material to the Company:

- 8.1. A placing agreement dated 20 November 2017 between the Company, the Placing Agent, the Sponsor, the AIFM and the Manager whereby the Placing Agent conditionally agrees to use its reasonable endeavours to procure placees in the Initial Placing and Placing Programme. In

consideration for its services the Placing Agent will be paid a commission on the proceeds of the Share Issue and Placing Programme.

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

- 8.2. The Company, the Existing Property Subsidiary and the AIFM have entered into a management agreement dated 24 February 2016 pursuant to which the AIFM is appointed to act as the Company's alternative investment fund manager.

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

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

Under the terms of the AIFM Agreement, the AIFM is also responsible for obtaining and maintaining from the FCA all approvals necessary for the AIFM to be appointed and continue to act as AIFM of the Company in accordance with the AIFMD; and is required to provide all such risk management services to the Company as are required by the AIFMD, including, *inter alia*, (i) the implementation of adequate risk management systems to identify, measure, manage and monitor appropriately all risks relevant to the Company's investment strategy and to which the Company is or may be exposed, (ii) the implementation of an appropriate, documented and regularly updated due diligence process when the 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 AIFM Agreement, the AIFM 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 AIFM Agreement contains an unlimited indemnity in favour of the AIFM against claims by third parties except to the extent that the claim is due to a breach by the AIFM of the AIFM Agreement or to the negligence, wilful default or fraud of the AIFM or any party to whom the AIFM has delegated any of its functions.

The AIFM Agreement provides that the Company will pay to the AIFM 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. As part of the Proposals the AIFM and the Manager have agreed to reduce the future management fees payable on any cash available for investment (being all cash held by the Company excluding cash required for working capital and capital expenditure) by 50 per cent. while such cash remains uninvested and the AIFM Agreement has been revised accordingly.

The AIFM Agreement may be terminated immediately by the Company if, among others, the AIFM is guilty of serious misconduct, negligence, wilful default or fraud or is the subject of insolvency proceedings. The AIFM Agreement may be terminated by any party giving to the others not less than 12 months' written notice, which can be served at any time.

- 8.3. The Company, the AIFM and the Manager have entered into an Investment Management Agreement dated 24 February 2016 pursuant to which the AIFM has delegated portfolio

management services relating to the Company to the Manager on the same terms as the AIFM Agreement. Since 5 May 2015 the Existing Property Subsidiary has not been a party to the Investment Management Agreement and has entered into the Subsidiary Investment Management Agreement with the Manager which has similar terms as the Investment Management Agreement. The AIFM has the power to instruct the Manager and terminate the Investment Management Agreement with immediate effect when this is in the interests of investors. In addition, the AIFM or the Company may immediately terminate the Investment Management Agreement if, among others, the Manager is guilty of serious misconduct, negligence, wilful default or fraud, is the subject of insolvency proceedings, there occurs a change of Key Manager and the Manager is unable to secure or appoint a replacement which has been approved by the Board or the AIFM Agreement is terminated.

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

The AIFM has agreed that its portfolio management fee described above in paragraph 8.2 will be paid to the Manager. 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 Manager as a project manager if it considers it to be in the best interests of the Company to do so. For such work the Manager would receive an appropriate fee. To the extent any commissions arise from procuring insurance in respect of the properties held in the Property Portfolio, the Manager would not be entitled to retain such commissions.

- 8.4. The Company is a party to an administration and secretarial agreement with Maitland Administration Services (Scotland) 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 Ordinary Shares based on information provided to the Administrator by the Manager.

The Administrator is entitled to a fixed fee per annum, increasing annually in line with RPI, which is payable by the Company. The fee in respect of the year ended 31 October 2017 was £82,204. 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 £97,617 that increases annually in line with RPI is 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; or (iv) a receiver is appointed to the undertaking of the other party or any part thereof.

- 8.5. The Existing Property Subsidiary is a party to the Existing Facility Agreement dated 6 May 2015 (as amended on 28 January 2016 and 21 June 2017) with Aviva (in various capacities including as lender) pursuant to which Aviva has made available a term loan facility of £56.92 million. Interest is payable by the Existing Property Subsidiary at a fixed rate (including the margin) of 3.09 per cent. per annum on £40 million of the loan, 2.95 per cent. per annum on £12.42 million of the loan and 2.22 per cent. per annum on £4.5 million of the loan, giving a weighted average cost of borrowings of 2.99 per cent. per annum. The interest rates increase by 0.10 per cent. per annum if the loan to value ratio is 40 per cent. or higher. The Existing Facility is repayable on 6 May 2025, although if an Event of Default (as defined in the Existing Facility Agreement) occurred it would be repayable on demand by Aviva. The Existing Facility Agreement contains standard events of default and covenants for a facility of this nature. The Existing Facility is secured against the current assets of the Existing Property Subsidiary.
- 8.6. The New Property Subsidiary is a party to the New Facility Agreement dated 15 November 2017 with Aviva (in various capacities, including as lender) pursuant to which Aviva has agreed to make available a term loan facility of up to £54.16 million provided that (i) the loan to value of the New Property Portfolio does not exceed 35 per cent. and (ii) the projected interest cover of the New Property Portfolio will be at least 500 per cent. Interest is payable by the New Property Subsidiary at a fixed rate which will be set shortly prior to completion of the Acquisition on the basis of the closing gross redemption yield on HM Government Treasury Stock 4.25% 2027 for the last business day immediately preceding the date of receipt by Aviva of the utilisation request. The interest rate increase by 0.10 per cent per annum if the loan to value is 40 per cent. or higher. The New Facility will be available for draw down from the date of the New Facility Agreement until 22 December 2017, although if an Event of Default (as defined in the New Facility Agreement) occurred it would be repayable on demand by Aviva. The New Facility Agreement contains standard events of default and covenants for a facility of this nature. The New Facility will be secured against the current assets of the New Property Subsidiary and the SPV Group. On draw down of the New Facility each of the New Properties shall be the subject of a fixed charge in whole in favour of Aviva, with the exception of the Widnes Retail Park and the Prestatyn Retail Park which may, subject to the consent of Aviva, be charged in part only pending the consent of certain landlords to such fixed charge. In the event that the loan to value of the New Portfolio exceeds 35 per cent. at draw down, the New Facility and the Existing Facility shall be cross collateralised i.e. the security granted in respect of the Existing Facility shall secure the New Facility and vice versa. If the loan to value of the New Portfolio does not exceed 35 per cent., the New Facility and the Existing Facility shall be entirely stand alone facilities.
- 8.7. The Company is a party to the Acquisition Agreement with the Vendors dated 15 November 2017 under which the Company and the New Property Subsidiary have agreed to acquire the four New Properties comprised in the New Portfolio by way of acquiring the entire issued share capital of each of the SPVs.

The Acquisition Agreement reflects a headline consideration of £144 million. There is deducted from this headline number the amount of the Rental Guarantee. An amount of £2 million will be placed in an escrow account and will become payable if the Vendors procure an extension of the leasehold interest over the Widnes Retail Park to at least 150 years. The headline consideration will be adjusted to reflect the net asset position of the SPVs (but with the value of the New Properties being fixed at the agreed valuations). At the point of entering into the Acquisition Agreement this adjustment was based on estimated figures and there will be a completion accounts exercise following completion of the Acquisition in order to finalise this adjustment based on actual figures. Any post-completion adjustments are expected to be very small.

The Acquisition Agreement provides that the completion of the Acquisition is conditional upon (i) Resolution 1, Resolution 2 and Resolution 4 being passed at the General Meeting; and (ii) the Placing Agreement becoming unconditional in all respects (save for Initial Admission) and not being terminated in accordance with its terms prior to Initial Admission. A further condition in relation to obtaining the consent of a landlord of part of the Widnes Retail Park prior to the grant to Aviva of a fixed charge has also either to be satisfied or waived by the Company prior to 22 December 2017. The Vendors are entitled to rescind the Acquisition Agreement in the event that the conditions are not satisfied and Initial Admission does not occur prior to the longstop date of 22 December 2017. This Acquisition Agreement contains standard form warranties and a tax

covenant customary to agreements of this nature with all liabilities (other than in respect of title to the shares and capacity to enter into the Acquisition Agreement) under such warranties and the tax covenant being covered, subject to agreed limitations, by a third party warranty and indemnity insurance policy. This insurance policy is subject *inter alia* to an overall cap of £30 million and claims will not be possible in relation to matters that were known to the New Property Subsidiary prior to the signing of the Acquisition Agreement.

- 8.8. 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.
- 8.9. The Company is party to a Depositary Agreement with Augentius Depositary Company Limited dated 24 February 2016 pursuant to which the Depositary provides depositary services to the Company.

The fees payable to the Depositary under the terms of the Depositary Agreement are determined by the value of assets held by the Company.

The Depositary may, subject to certain conditions, delegate some or all of its functions set out under Article 21(8) of the AIFMD to third parties. Where the law of a country outside the EEA States requires assets to be held in the custody of a local entity the Depositary may delegate its functions to such a local entity only to the extent required by the local law.

The Depositary Agreement does not currently contain provisions for the contractual discharge of the Depositary's liability. The Depositary may however discharge its liability in accordance with Article 21(13) and 21(14) of the AIFMD. If the Depositary does discharge its liability the Company will notify investors by amending the investor disclosure document available on the Company's website.

The Depositary Agreement may be terminated by either party by giving three months written notice or immediately if either party is in material breach of any of the terms of the Depositary Agreement.

9. Intermediaries

9.1 The following are confirmed Intermediaries:

- (i) Cornhill Capital;
- (ii) Equiniti Financial Services;
- (iii) iDealing.com Ltd;
- (iv) Redmayne - Bently LLP; and
- (v) Alliance Trust Savings Limited.

9.2 Any new material information relating to an Intermediary, unknown at the time of approval of this Prospectus, which may affect its ability to act as an intermediary and the details of any Intermediary that is appointed by the Company in connection with the Intermediaries Offers after the date of this Prospectus following its agreement to adhere to and be bound by the Intermediaries Terms and Conditions and any Intermediary that ceases to participate in the Intermediaries Offers, will be made available (subject to certain restrictions) at the website www.ediston-reit.com.

10. Investment restrictions

In addition to those restrictions set out in Part 4 of this document and in accordance with the requirements of the Listing Rules, the Company complies with the investment restrictions set out below and will continue to do so for as long as they remain requirements of the UK Listing Authority:

- (i) as required under Listing Rule 15.4.2, the Company will at all times invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy as set out on page 46 of this document;

- (ii) in accordance with Listing Rule 15.2.3A, the Company (and its subsidiary undertaking) will not conduct any trading activity which is significant in the context of its group as a whole, but this rule does not prevent any businesses which may form part of the Company's investment portfolio from conducting trading activities themselves; and
- (iii) in addition, in order to comply with Listing Rule 15.2.5, the Company will not invest more than 10 per cent., in aggregate, of the value of its Total Assets (calculated at the time of any relevant investment) in other closed-ended investment funds admitted to the Official List (save to the extent that those closed-ended investment funds have stated investment policies to invest no more than 15 per cent, of their gross assets in such other closed-ended investment funds).

In the event of any material breach of the Company's investment policy or the investment restrictions applicable to the Company or the Group, 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.

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 which may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability.
- 11.2. The Valuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in Part 7 of this document for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Valuer has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report in Part 7 of this document and the statements attributed to it and references to it in the form and context in which they appear and has authorised the contents of its report and statements attributed to it and references to it for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.
- 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. Grant Thornton UK LLP 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.
- 11.5. The Manager has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the references to it in the form and context in which they appear and has authorised the contents of its statements for the purposes of the Prospectus Rules. The Manager accepts responsibility for, and authorises, and consents to the inclusion of, the statements attributed to it contained in this document. To the best of the knowledge and belief of the Manager (who has taken all reasonable care to ensure that such is the case) those statements are in accordance with the facts and do not omit anything likely to affect the import of those statements.
- 11.6. Dickson Minto W.S. has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name in the form and context in which they are included.
- 11.7. As at 17 November 2017 (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.
- 11.8. The information in this document sourced from Dun and Bradstreet on page 42 of this document has been accurately reproduced in this document and, as far as the Company is aware and is able to ascertain from information published by Dun and Bradstreet, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

12.1. Mandatory bids

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of shares were to increase the aggregate holding of the acquirer and any parties acting in concert with it to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for shares not already owned by the acquirer or its concert parties (if any) at a price not less than the highest price paid for shares by the acquirer or its concert parties (if any) during the previous 12 months or (where there has been no acquisition of shares of the relevant class) at a comparable price agreed by the Panel. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of shares by a person holding (together with its concert parties, if any) shares carrying at least 30 per cent. but not more than 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties (if any).

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 nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder 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.

12.2. Squeeze-out and sellout rules

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

13. Disclosure requirements and notification of interest in shares

13.1 Under Chapter 5 of the Disclosure Guidance and Transparency Rules, subject to certain limited exceptions, a 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):

- (i). reaches, exceeds or falls below three per cent. and each one per cent. threshold thereafter; or
- (ii) reaches, exceeds or falls below an applicable threshold in paragraph 13.1(i) of this Part 11 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.

13.2 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 Guidance 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 trading day following receipt of a notification in relation to voting rights.

13.3 The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure Guidance 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, including those in paragraph 14.2 of this Part 11. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

14.2. European Economic Area

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:

- (i) 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;
- (ii) 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
- (iii) 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 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.

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 Share Issue 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 and at the Company’s registered office until 19 November 2018:

- (i) the Articles;
- (ii) the written consents referred to in paragraphs 11.3 to 11.6 above;
- (iii) the valuation report referred to in Part 7 of this document;
- (iv) the annual reports and accounts for the financial period ended 30 September 2014, the two years ended 30 September 2016 and the half yearly reports and accounts for the six months ended 31 March 2016 and 31 March 2017; and
- (v) this document.

16. Availability of Prospectus

A copy of this document is available for inspection at www.morningstar.co.uk/UK/NSM and on the Company’s website www.ediston-REIT.com and, until 19 November 2018, is available for collection, free of charge, from the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and Canaccord Genuity Limited, 88 Wood Street, London EC2V 7QR.

20 November 2017

PART 12

TERMS AND CONDITIONS OF THE INITIAL PLACING AND THE PLACING PROGRAMME

1. Introduction

Each Placee which confirms its agreement to the Placing Agent to subscribe for New Shares under the Initial Placing and/or the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and the Placing Agent may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit and/or may require such Placee to execute a separate placing letter (for the purposes of this Part 12, a "Placing Letter"). The terms of this Part 12 will, where applicable, be deemed to be incorporated into the Placing Letter.

2. Agreement to subscribe for New Shares

Conditional on: (i) Initial Admission of New Shares occurring and becoming effective by 8.00 a.m. (London time) on or prior to 8 December 2017 (or such later time and/or date, as the Company, Sponsor and the Placing Agent may agree or any Admission under the Placing Programme occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company and the Placing Agent prior to the closing of each placing under the Placing Programme, not being later than 19 November 2018 (as applicable); (ii) in the case of any Placing Programme Issue, to the extent required by the Prospectus Rules and FSMA, a valid supplementary prospectus being published by the Company; (iii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of such Admission; and (iv) the Placing Agent confirming to the Placees their allocation of New Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those New Shares allocated to it by the Placing Agent at the Share Issue Price under the Initial Placing or at the relevant Placing Programme Price under the Placing Programme. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have. Multiple applications or suspected multiple applications on behalf of a single investor are liable to be rejected. Fractions of New Shares will not be issued.

3. Payment for New Shares

- 3.1. Each Placee must pay the relevant price for the New Shares issued to the Placee in the manner and by the time directed by the Placing Agent. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for New Shares may, at the discretion of the Placing Agent, either be rejected or accepted and in the latter case paragraph 3.2 of these terms and conditions shall apply.
- 3.2. Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant price for the New Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and the Placing Agent elects to accept that Placee's application, the Placing Agent may sell all or any of the New Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for the Placing Agent's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, remain liable for, and undertakes to indemnify fully the Placing Agent in respect of, any shortfall below the aggregate amount owed by such Placee and any tax or other charges and expenses (together with any interest or penalties) which may arise upon the sale of such New Shares on such Placee's behalf.

4. Representations and warranties

By agreeing to subscribe for New Shares, each Placee which enters into such commitment to subscribe for New Shares will (for itself and any person(s) procured by it to subscribe for New Shares and any

nominee(s) for any such person(s)) be deemed to represent and warrant to each of the Company, the Manager, and the Placing Agent that:

- 4.1. in agreeing to subscribe for New Shares under the Initial Placing and/or the Placing Programme, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the New Shares, the Initial Placing and/or the Placing Programme. It agrees that none of the Company, the Manager, the Placing Agent or the Registrar, nor any of their respective officers, agents and employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2. if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Shares under the Initial Placing and/or the Placing Programme, it warrants that it has 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 its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Manager, the Placing Agent or the Registrar 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 Initial Placing and/or the Placing Programme;
- 4.3. it has carefully read and understands this document in its entirety and acknowledges that it is acquiring New Shares on the terms and subject to the conditions set out in this Part 12 and, if applicable, in any contract note or oral or email placing confirmation (for the purposes of this Part 12, a "Contract Note" or "Placing Confirmation"), the Placing Letter, if any, and the Articles as in force at the date of Admission of the relevant New Shares;
- 4.4. it has not relied on the Placing Agent or any person affiliated with the Placing Agent in connection with any investigation of the accuracy of any information contained in this document;
- 4.5. the content of this document and any supplementary prospectus published by the Company is exclusively the responsibility of the Company and its Directors and neither the Placing Agent nor any person acting on its behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing and/or the Placing Programme based on any information, representation or statement contained in this document or otherwise;
- 4.6. it acknowledges that no person is authorised in connection with the Initial Placing and/or the relevant Placing Programme Issue to give any information or make any representation other than as contained in this document and any supplementary prospectus published by the Company and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Manager or the Placing Agent;
- 4.7. it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.8. the price per New Share is fixed at the Share Issue Price or the relevant Placing Programme Price as applicable and is payable to the Placing Agent on behalf of the Company in accordance with the terms of this Part 12 and, as applicable, in the relevant Contract Note or Placing Confirmation and the Placing Letter (if any);
- 4.9. it has the funds available to pay in full for the New Shares for which it has agreed to subscribe and that it will pay the total subscription in accordance with the terms set out in this Part 12 and, as applicable, as set out in the Contract Note or Placing Confirmation and the Placing Letter (if any) on the due time and date;
- 4.10. its commitment to acquire New Shares under the Initial Placing and/or the Placing Programme will be agreed orally or in writing (which shall include by email) with the Placing Agent as agent

for the Company and that a Contract Note or Placing Confirmation will be issued by the Placing Agent as soon as possible thereafter. That oral or written confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and the Placing Agent to subscribe for the number of New Shares allocated to it at the Share Issue Price or the relevant Placing Programme Price (as applicable) on the terms and conditions set out in this Part 12 and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any) issued in connection with the commitment and in accordance with the Articles in force as at the date of Initial Admission or the relevant Admission (as applicable). Except with the consent of the Placing Agent such oral or written commitment will not be capable of variation or revocation after the time at which it is made;

- 4.11. its allocation of New Shares under the Initial Placing and/or the Placing Programme (as applicable) will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of New Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such New Shares; and (iii) settlement instructions to pay the Placing Agent as agent for the Company. The terms of this Part 12 will be deemed to be incorporated into that Contract Note or Placing Confirmation;
- 4.12. settlement of transactions in the New Shares following the relevant Admission will take place in CREST but the Placing Agent reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or Placing Confirmation, in the Placing Letter or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction;
- 4.13. it accepts that none of the New Shares have been or will be registered under the laws of any of the EEA States (other than the United Kingdom), the United States, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the New Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of United States, Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available;
- 4.14. it: (i) is entitled to subscribe for the New Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for New Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- 4.15. if it is within the United Kingdom, it is (a)(i) a qualified investor within the meaning of section 86(d) of FSMA; and (ii) a person who falls within Articles 49(2)(a) to (d), 19(1) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the New Shares may otherwise lawfully be offered under such Order or otherwise; or (b) if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the New Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.16. if it is a resident in the European Economic Area (other than the United Kingdom), (a) it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Directive 2003/71/EC and (b) that it is a person to whom the New Shares may lawfully be marked under the AIFMD or under the applicable implementing legislation of that relevant Member State;
- 4.17. in the case of any New Shares acquired by a Placee as a financial intermediary as that term is used in the Prospectus Directive (i) the New Shares acquired by it in the Initial Placing and/or the Placing Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Placing Agent has been given to the offer or resale; or (ii) where New Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified

investors, the offer of those New Shares to it is not treated under the Prospectus Directive as having been made to such persons;

- 4.18. if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing and/or the Placing Programme (including for the avoidance of doubt, any supplementary prospectus published by the Company (for the purposes of this Part 12, each a "Placing Document") constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Shares pursuant to the Initial Placing and/or the Placing Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and New Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.19. it does not have a registered address in, and is not a citizen, resident or national of Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction in which it is unlawful to make or accept an offer of the New Shares and it is not acting on a non-discretionary basis for any such person;
- 4.20. if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for New Shares under the Initial Placing and/or the Placing Programme and will not be any such person on the date any such agreement to subscribe under the Initial Placing or the Placing Programme is accepted;
- 4.21. it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Share Issue, the Placing Programme or the New Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- 4.22. it has communicated or caused to be communicated and will communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the New Shares only in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person; and (ii) that no Placing Document is being issued or approved by the Placing Agent in its capacity as an authorised person under section 21 of the FSMA and the Placing Documents may not therefore be subject to the controls which would apply if the Placing Documents were made or approved as financial promotion by an authorised person;
- 4.23. it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, the Market Abuse Regulation and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
- 4.24. no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the New Shares or possession of this Prospectus (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.25. it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States purchase and transfer restrictions" in paragraph 5, below;
- 4.26. it acknowledges that neither the Placing Agent nor any of its affiliates, nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or the Placing Programme or providing any advice in relation to the Initial Placing and/or Placing Programme and participation in the Initial Placing and/or the Placing Programme is on the basis that it is not and will not be a client of the Placing Agent and that the Placing Agent has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Initial Placing and/or the Placing Programme nor in respect of any representations, warranties,

undertaking or indemnities otherwise required to be given by it in connection with its application under the Initial Placing and/or the Placing Programme;

- 4.27 that, save in the event of fraud on the part of the Placing Agent, none of the Placing Agent, its ultimate holding companies, any direct or indirect subsidiary undertakings of such holding companies, any of its respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of the Placing Agent's role as placing agent or otherwise in connection with the Initial Placing and/or the Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately and irrevocably waive any claim against any such persons which the Placee or any of its clients may have in respect thereof;
- 4.28. it acknowledges that where it is subscribing for New Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account; (i) to subscribe for the New Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing and/or the Placing Programme in the form provided by the Company and/or the Placing Agent. It agrees that the provision of this paragraph shall survive any resale of the New Shares by or on behalf of any such account;
- 4.29. it irrevocably appoints any director of the Company and any director of the Placing Agent to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the New Shares for which it has given a commitment under the Initial Placing and/or the Placing Programme, in the event of its own failure to do so;
- 4.30. it accepts that if the Initial Placing and/or any issue under the Placing Programme does not proceed or the relevant conditions to the Placing Agreement are not satisfied or the New Shares for which valid applications are received and accepted are not admitted to the Official List of the FCA and to trading on the London Stock Exchange for any reason whatsoever then neither the Placing Agent, the Manager nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.31. in connection with its participation in the Initial Placing and/or Placing Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing ("**Money Laundering Legislation**") and that its application for New Shares is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied for New Shares. In addition, it warrants that it is a person: (i) subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information of the Payer) Regulations 2017 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive 2015/849/EU of the European Parliament and of the Council of 26 October 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing) (the "**Money Laundering Directive**"); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.32. it acknowledges that due to anti-money laundering requirements, the Placing Agent and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Placing Agent and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Placing Agent and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it in a timely manner;

- 4.33. it acknowledges and agrees that information provided by it to the Company or the Registrar will be stored both on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Legislation, the Registrar, the Administrator and the Placing Agent are each required to specify the purposes for which they will hold personal data. For the purposes of this document "Data Protection Legislation" shall mean (i) prior to 25 May 2018 the UK Data Protection Act 1998 and the Data Protection Directive (95/46/EC) and (ii) on and after 25 May 2018, EU Regulation 2016/679 ("GDPR") or any equivalent or similar legislation implemented in the United Kingdom following the United Kingdom's withdrawal from the European Union. The Registrar, the Administrator and the Placing Agent will only use such information for the purposes set out below (collectively, the "Purposes"), being to:
- 4.33.1. process its personal data (including sensitive personal data) as required for or in connection with the holding of New Shares, including processing personal data in connection with credit and money laundering checks on it;
 - 4.33.2. communicate with it as necessary in connection with the proper running of its business and affairs and generally in connection with the holding of New Shares;
 - 4.33.3. provide personal data to such third parties as are or shall be necessary in connection with its affairs and generally in connection with its holding of New Shares or as the applicable law or regulation may require, including to third parties outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK);
 - 4.33.4 without limitation, provide such personal data to the Company or the Manager and its respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK); and
 - 4.33.5. process its personal data for the purpose of their internal record-keeping and reporting obligations.
- 4.34. in providing the Placing Agent, the Registrar and the Administrator with information, it hereby represents and warrants to the Placing Agent, Registrar and the Administrator that it has obtained any necessary consents of any data subject whose data it has provided to the Placing Agent, the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including, where required, the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph 4.33 above) and will make the list of "Purposes" for which the Placing Agent, the Registrar and the Administrator will process the data (as set out in paragraph 4.33 of this Part 12) available to all data subjects whose personal data may be shared by it in the performance of this Agreement. For the purposes of this document, "data subject", "data controller", "data processor", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Legislation;
- 4.35 the Placee, the Placing Agent, the Company, the Administrator and the Registrar are each data controllers for the purpose of the Data Protection Legislation and the parties all agree and acknowledge that none of the Placee, the Placing Agent, the Company, the Administrator and the Registrar is or shall be a data processor for any of the others or a joint data controller with any of the others and they will each comply with their obligations under the Data Protection Legislation and the Placee will do nothing that puts the Placing Agent, the Company, the Administrator or the Registrar in breach of their respective obligations;
- 4.36. the Placing Agent and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;

- 4.37. the representations, undertakings and warranties contained in this document and as applicable, any Contract Note or Placing Confirmation and the Placing Letter (if any) are irrevocable. It acknowledges that the Placing Agent and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the New Shares are no longer accurate, it shall promptly notify the Placing Agent and the Company;
- 4.38. where it or any person acting on behalf of it is dealing with the Placing Agent, any money held in an account with the Placing Agent on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require the Placing Agent to segregate such money, as that money will be held by the Placing Agent under a banking relationship and not as trustee;
- 4.39. any of its clients, whether or not identified to the Placing Agent, will remain its sole responsibility and will not become clients of the Placing Agent for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.40. it accepts that the allocation of New Shares shall be determined by the Placing Agent in their absolute discretion but in consultation with the Company and that the Placing Agent may scale back any commitments for this purpose on such basis as it may determine such scaling back to be carried out in accordance with the policy stated in Parts 4 and 5 of this document; and
- 4.41. time shall be of the essence as regards its obligations to settle payment for the New Shares and to comply with its other obligations under the Initial Placing and/or the Placing Programme.

5. United States purchase and transfer restrictions

By participating in the Initial Placing and/or the Placing Programme, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for New Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Manager, the Registrar and the Placing Agent that:

- 5.1. it is not a US Person and it is acquiring the New Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the New Shares for the account or benefit of a US Person;
- 5.2. it acknowledges that the New Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the US Securities Act;
- 5.3. it acknowledges that the Company has not registered and will not register as an investment company under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
- 5.4. unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the New Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; or (ii) a "plan" as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or
- 5.5. an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Tax Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of the New Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

- 5.6. if any New Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:

“EDISTON PROPERTY INVESTMENT COMPANY PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.”;

- 5.7. if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its New Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 5.8. it is purchasing the New Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Shares in any manner that would violate the US Securities Act, the Investment Company Act or any other applicable securities laws;
- 5.9. it acknowledges that the Company reserves the right to make inquiries of any holder of the New Shares or interests therein at any time as to such person’s status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such New Shares or interests in accordance with the Articles;
- 5.10. it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- 5.11. it is entitled to acquire the New Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the New Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Manager, the Placing Agent or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Initial Placing and/or the Placing Programme or its acceptance of participation in the Initial Placing and/or the Placing Programme;
- 5.12. it has received, carefully read and understands this document and any supplementary prospectus published by the Company, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the New Shares to within the United States or to any US Persons, nor will it do any of the foregoing; and
- 5.13. if it is acquiring any New Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, the Manager, the Placing Agent and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company.

6. Supply and disclosure of information

If the Placing Agent, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for New Shares under the Initial Placing and/or the Placing Programme, such Placee must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

7. Miscellaneous

The rights and remedies of the Company, the Manager, the Placing Agent and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose (in writing or orally) his or her nationality or residency. On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the New Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or the Placing Programme, have been acquired by the Placee. The contract to subscribe for New Shares under the Initial Placing and/or the Placing Programme and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Manager, the Placing Agent and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for New Shares under the Initial Placing and/or the Placing Programme, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

The Placing Agent and the Company expressly reserve the right to modify the Initial Placing and/or the Placing Programme (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Initial Placing and/or the Placing Programme is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 8 of Part 11 of this document.

PART 13

TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

Introduction

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

Offer to acquire Ordinary Shares

1. Applications must be made on the Offer for Subscription Application Form attached at the end of the Prospectus or as otherwise published by the Company. All applications under the Offer for Subscription must be for New Shares with a minimum aggregate subscription price of £1,000 and, if your application is for New 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 not make more than one application for New Shares under the Offer for Subscription.
2. By completing and delivering an Offer for Subscription Application Form, you, as the Applicant, or, if you sign the Offer for Subscription Application Form on behalf of another person or a corporation, that person or corporation:
 - 2.1 offer to subscribe the amount specified in Box 1 on your Offer for Subscription Application Form, or any smaller amount for which such application is accepted, for New Shares at the Share Issue Price on the terms, and subject to the conditions, set out in this document, including these Terms and Conditions of Application, the guidance notes accompanying the Offer for Subscription 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 for the Company agreeing that it will not, prior to the date of Initial Admission, offer any New Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked until after 8 December 2017 (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 for Subscription in accordance with section 87Q(4) of FSMA;
 - 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 fixed sum specified on your Offer for Subscription Application Form (or such lesser amount in respect of which your application is accepted) in full on application and warrant that the remittance accompanying your Offer for Subscription 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 New Shares applied for in certificated form or receive a credit to your CREST stock account in respect of the New Shares applied for in uncertificated form or to enjoy or receive any rights or distributions in respect of such New Shares unless and until you make payment in cleared funds for such New 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 or void the agreement to allocate New 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, by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were received at your risk, of any proceeds of the remittance which accompanied your Offer for Subscription Application Form and which is received by the Receiving Agent in cleared funds, without interest);
- 2.4 agree that, where a request is made on your Offer for Subscription Application Form for New Shares to be deposited into a CREST stock account (a) the Receiving Agent may in its absolute discretion amend the form so that such New Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Offer for Subscription Application Form (and you recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the owner of the CREST stock account); and (b) the Receiving Agent or the Company may authorise your financial adviser or whoever he or she may direct to send a document of title for the number of New Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Offer for Subscription Application Form;
- 2.5 agree, in respect of applications for New Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.4 above to issue New Shares in certificated form), that any share certificate to which you may become entitled (and moneys returnable to you) may be retained, without interest, by the Receiving Agent:
- 2.5.1 pending clearance of your remittance;
- 2.5.2 pending investigation of any suspected breach of the warranties contained in paragraph 2.9 and/or paragraph 10 below or any other suspected breach of these Terms and Conditions of Application; or
- 2.5.3 pending any verification of identity (to the satisfaction of the Company and its agents, including as may concern the manner in which its or their 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**”);
- 2.6 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 New Shares, or as a result of termination of any agreement to allocate New Shares pursuant to paragraphs 2.3 or 2.8 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 New 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 New 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;
- 2.7 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 for Subscription and may be disclosed as contemplated by the CDD Rules;
- 2.8 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 therefor, any agreement with you to allocate New Shares may be terminated by the Company or the Receiving Agent and, in such case, the New Shares which would otherwise have been allocated to you may be re-allocated or sold to some

other party and the lesser of your application monies and the proceeds of such sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name on which the remittance accompanying your application was drawn without interest and at your risk;

- 2.9 warrant and confirm that:
 - 2.9.1 you are not, and you are not applying on behalf of, a person engaged in money laundering;
 - 2.9.2 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
 - 2.9.3 you are not a prohibited individual or entity or resident in a prohibited country or territory listed on the United States Department of the 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;
 - 2.10 undertake to ensure that, in the case of an Offer for Subscription 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 Offer for Subscription Application Form;
 - 2.11 undertake to pay interest at the rate prescribed in paragraph 6 below if the remittance accompanying your Offer for Subscription Application Form is not honoured on first presentation;
 - 2.12 authorise the Receiving Agent on behalf of the Company to send definitive certificates in respect of the number of New 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 Offer for Subscription Application Form;
 - 2.13 confirm that you have read and complied with paragraphs 23 and 24 of these Terms and Conditions of Application; and
 - 2.14 agree that your Offer for Subscription Application Form is addressed to the Company and its agents.
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 offer to subscribe, if your application 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, the Manager and the Placing Agent, 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 Offer for Subscription 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 Offer for Subscription 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 or its agents may require you to pay interest or its/their 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 for Subscription is publicly announced, until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus 2 per cent. per annum.

Conditions

7. The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon, in addition to any other conditions set out in this document, (i) the admission of the New Shares to be issued under the Offer for Subscription to the Official List and to trading on the Main Market and such admissions becoming effective by 8.00 a.m. on 8 December 2017 (or such later time and/or date as the Company and the Placing Agent and the Sponsor may agree), (ii) the Placing Agreement becoming unconditional in all respects in respect of the Share Issue (save for any condition relating to Initial Admission) and not having been terminated on or before Initial Admission, (iii) Resolution 1, Resolution 2 and Resolution 4 being passed at the General Meeting and (iv) the Minimum Issue Proceeds being raised. The Company expressly reserves the right to determine, at any time prior to Initial Admission, not to proceed with the Offer for Subscription.
8. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance (in whole or in part) of your application. 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. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

Warranties

10. By completing an Offer for Subscription Application Form, you:
 - 10.1 warrant and undertake that, if you sign the Offer for Subscription 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, acknowledgements, 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 warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, 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 relevant territory or jurisdiction 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, members 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 for Subscription or your application;

- 10.3 agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations contained herein and you confirm that in making an application you are not relying on any information or representations in relation to the Company, the Offer for Subscription or the New Shares other than those contained in this document (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 this document or any part thereof shall have any liability for any such other information or representation;
- 10.4 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this document (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 Offer for Subscription Application Form and to apply for New 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 (or, in the case of joint holders, the address of the first-named holder) as set out in your Offer for Subscription Application Form;
- 10.7 confirm that you have reviewed the restrictions contained in the section entitled “Non UK investors” in paragraphs 23 and 24 of these Terms and Conditions of Application 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 the details relating to you and the other information as set out in your Offer for Subscription Application Form is true and accurate;
- 10.9 agree to provide the Company and its agents with any information which the Company or its agents may request in connection with your application or to comply with any relevant legislation, including without limitation satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations 2017; and
- 10.10 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, 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 which will or may result in the Company or its agents acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application.

Allocations

11. The basis of allocation under the Offer for Subscription will be determined at the sole discretion of the Company (in consultation with the Placing Agent and the Intermediaries Offer Adviser). The right is reserved, notwithstanding such basis, to reject in whole or in part and/or scale down any application.

Miscellaneous

12. To the fullest 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 for Subscription.

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 any of them, and the exercise or partial exercise of one will not prevent the exercise of others.
14. You agree that the Receiving Agent is acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their client by virtue of your application being accepted nor owe you any duties or responsibilities concerning the price of New Shares or concerning the suitability of New Shares for you or otherwise in relation to the Offer for Subscription.
15. You irrevocably authorise each of the Company and the Receiving Agent or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any New Shares subscribed by or issued to you in your name and authorise any representatives of the Company and/or the Receiving Agent to execute and/or complete any document required therefor and to enter your name on the register of members of the Company.
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 Offer for Subscription and, for the purposes of the Data Protection Act 1998 (or any statutory modification or substitutions), you provide your consent to the use and disclosure of such information.
17. You agree that a failure to receive, process or accept your application for New Shares does not give rise to any right of action by any person against the Company, the Placing Agent, the Sponsor, the Manager, the Receiving Agent or any other person. You agree that the non-receipt by any person of this document or any other related document shall not invalidate the Offer for Subscription in whole or in part or give rise to any right of action by any person against the Company, the Placing Agent, the Sponsor, the Manager, the Receiving Agent or any other person.
18. You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription and any non-contractual obligations existing under or in connection therewith shall be governed by and construed in accordance with English law and that, for the benefit of the Company, the Placing Agent, the Sponsor, the Manager and the Receiving Agent, you submit to the exclusive jurisdiction of the English courts and agree that nothing shall limit the right of the Company, the Placing Agent, the Sponsor, the Manager, the Receiving Agent or their respective agents or advisers to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction.
19. Completed Offer for Subscription Application Forms, together with payment, must be returned so as to be received by post to Computershare Investor Services PLC at Corporate Actions Projects, The Pavillions, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC at The Pavillions, Bridgewater Road, Bristol BS99 6AH no later than 11.00 a.m. on 6 December 2017. An Offer for Subscription 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. The Company reserves the right to extend the closing time and/or date of the Offer for Subscription. If such right is exercised, the new closing time and/or date will be notified through a Regulatory Information Service.
20. The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Initial Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest at the risk of the relevant Applicant.

Money laundering

21. 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 the Receiving Agent to establish your identity or that of any person on whose behalf you are acting or from whom payment has been received in connection with your application and/or your status. Without prejudice to the generality of the foregoing such evidence may be required if you either:

- 21.1 tender payment by way of banker's draft or cheque or money order drawn on an account in the name of another person or person(s) (in which case verification of your identity and such person(s) may be required); or
- 21.2 appear to the Receiving Agent to be acting on behalf of some other person(s) (in which case verification of identify of any person(s) on whose behalf you appear to be acting may be required).
22. 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 application(s) or despatch of documents or CREST accounts being credited.
23. Without prejudice to the generality of paragraph 21 above, verification of the identity of Applicants may be required if the total subscription price of the New Shares applied for, whether in one or more applications, exceeds £12,500 (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 adds its stamp. If in such circumstances, you use a cheque drawn by a third party, you may be requested to provide a copy of the third party's passport or driving licence certified by a solicitor or a recent original bank or building society statement or utility bill in the third party's name and showing their current address (which originals will be returned by post at the Applicant's risk).

Non UK investors

24. If you receive a copy of this document or an Offer for Subscription 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 Offer for Subscription Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Offer for Subscription 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 wish to make an application for New Shares under the Offer for Subscription, to satisfy yourself that you have fully observed the laws of any relevant territory 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.
25. The Ordinary Shares have not been and will not be registered under the securities laws or regulations, or with any securities regulatory authority, of the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction. Accordingly, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, in, into or from the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction except in reliance on, or in a transaction not subject to, the registration requirements under such laws or regulations. If you subscribe for New Shares in the Offer for Subscription 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, or a resident of, the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction and that you are not subscribing for such Ordinary Shares for the account of any person who is in, or a resident of, the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction, and you will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the New Shares in or into any such jurisdiction or to any person who is in, or a resident of, any such jurisdiction. No application will be accepted if it bears an address in the United States, Canada, Australia, Japan or the Republic of South Africa, or otherwise where there is cause to believe you are in the United States, Canada, Australia, Japan or the Republic of South Africa.

Definitions used in these Terms and Conditions of Application

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

PART 14

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

The New Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in one or more classes of shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme. In the case of a joint application, references to you in these terms and conditions are to each of you and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Open Offer Application Form or sending a USE instruction in CREST.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 17 November 2017. Open Offer Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 22 November 2017 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST as soon as possible after 8.00 a.m. on 22 November 2017. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 6 December 2017, with Admission and commencement of dealings in New Shares expected to take place at 8.00 a.m. on 8 December 2017.

This Prospectus and, for Qualifying Non-CREST Shareholders only, the Open Offer Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of these terms and conditions which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Investors is drawn to paragraph 6 of these terms and conditions.

The Open Offer is an opportunity for Qualifying Shareholders to apply for, in aggregate, up to 65,496,966 New Shares *pro rata* to their current holdings at the Share Issue Price of 111.75 pence per New Share in accordance with these terms and conditions.

The Excess Application Facility is an opportunity for Qualifying Shareholders who have applied for all of their Open Offer Entitlements to apply for additional New Shares. The Excess Application Facility will be comprised of New Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements and fractional entitlements under the Open Offer.

As part of the Excess Application Facility Qualifying Shareholders may also indicate a desire to subscribe for further New Shares up to the maximum number of New Shares available under the Share Issue. However, the satisfaction of such proportion of a Qualifying Shareholders' application will be satisfied purely at the Directors' discretion.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Existing Shares prior to 8.00 a.m. on 21 November 2017, being the ex-entitlement date, is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for New Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchaser(s) under the rules of the London Stock Exchange.

2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Open Offer Application Form), up to an aggregate amount of 65,496,966 New Shares will be made available to Qualifying Shareholders at the Share Issue Price (payable in full on application and free of all expenses) *pro rata* to their holdings of Existing Shares, on the basis of:

One New Share for every two Existing Shares on the Record Date

Applications by Qualifying Shareholders made and accepted in accordance with these terms and conditions will be satisfied in full up to the amount of their individual Open Offer Entitlement.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to New Ordinary Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Accordingly, Qualifying Shareholders with fewer than two Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares under the Excess Application Facility.

Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility. Please refer to paragraphs 4.1(c) and 4.2(c) of these terms and conditions for further details of the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Open Offer Application Form shows the number of Existing Shares registered in your name on the Record Date in Box A.

Qualifying CREST Shareholders will have their Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 4.2 of these terms and conditions and also to the CREST Manual for further information on the relevant CREST procedures.

The Open Offer Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of New Shares shown in Box B on the Open Offer Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders to apply for any whole number of additional New Shares in excess of their Open Offer Entitlement. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete Boxes D, E, F and G on the Open Offer Application Form.

Applications under the Excess Application Facility will be allocated in the event of over-subscription *pro rata* to Qualifying Shareholders' applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part. To the extent any Open Offer Shares remain unallocated pursuant to Open Offer Entitlements and under the Excess Application Facility and the Initial Placing, Offer for Subscription and/or the Intermediaries Offer is oversubscribed, such Open Offer Shares may at the Directors' discretion be allocated to subscribers under the Initial Placing, Offer for Subscription and/or the Intermediaries Offer.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Open Offer Application Forms are not negotiable documents and cannot be traded.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by the CREST Claims Processing Unit. New Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up New Shares available under the Open Offer will have no rights under the Open Offer. Any New Shares which are not applied for in respect of the Open Offer may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility or may be issued to the subscribers under the Initial Placing, Offer for Subscription and/or the Intermediaries Offer, with the proceeds retained for the benefit of the Company.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 22 November 2017.

3. Conditions and further terms of the Open Offer

The contract created by the acceptance of an Open Offer Application Form or a USE instruction will be conditional on:

- (a) the Minimum Issue Proceeds being raised;
- (b) Initial Admission occurring by 8.00 a.m. (London time) on 8 December 2017 (or such later date as the Company, the Sponsor and the Placing Agent may agree);
- (c) the passing of the Resolution 1, Resolution 2 and Resolution 4 at the General Meeting; and
- (d) the Placing Agreement becoming otherwise unconditional in all respects (save as to Initial Admission) and not being terminated in accordance with its terms before Initial Admission becomes effective.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued. Definitive certificates in respect of New Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their New Shares in certificated form in the week commencing 11 December 2017. In respect of those Qualifying Shareholders who have validly elected to hold their New Shares in uncertificated form, the New Shares are expected to be credited to their stock accounts maintained in CREST on 8 December 2017.

4. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Open Offer Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Shares in certificated form will be allotted New Shares in certificated form. Qualifying Shareholders who hold part of their Existing Shares in uncertificated form will be allotted New Shares in uncertificated form to the extent that their entitlement to New Shares arises as a result of holding Existing Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of these terms and conditions.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the New Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.1 If you have an Open Offer Application Form in respect of your entitlement under the Open Offer:

(a) *General*

Subject as provided in paragraph 6 of these terms and conditions in relation to Overseas Investors, Qualifying Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Existing Shares registered in their name on the Record Date in Box A. It also shows the maximum number of New Shares for which they are entitled to apply under the Open Offer (other than the Excess Application Facility), as shown by the total number of Open Offer Entitlements allocated to them set out in Box B. Box C shows how much they would need to pay if they wish to take

up their Open Offer Entitlement in full. Any fractional entitlements to New Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Existing Shareholders under the Excess Application Facility.

Any Qualifying Non-CREST Shareholders with fewer than two Existing Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.1(c) of these terms and conditions). Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Qualifying Non-CREST Shareholders may also apply for Excess Shares under the Excess Application Facility by completing Boxes D, E, F and G of the Open Offer Application Form.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire New Shares may only be made on the Open Offer Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Shares through the market prior to the date upon which the Existing Shares were marked “ex” the entitlement to participate in the Open Offer. Open Offer Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 4 December 2017. The Open Offer Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Shares prior to the date upon which the Existing Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire New Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Open Offer Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Open Offer Application Form should not, however be forwarded to or transmitted in or into the United States or any other Excluded Territory. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Open Offer Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2(b) below.

(c) *Excess Application Facility*

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Boxes D, E, F and G of the Open Offer Application Form. The maximum number of New Shares to be allotted under the Excess Application Facility (the “**Maximum Excess Application Number**”) shall be limited to: (i) the maximum size of the Share Issue less the Vendor Shares; less (ii) New Shares issued under the Open Offer pursuant to Qualifying Shareholders’ Open Offer Entitlements and New Shares issued pursuant to the terms of the Initial Placing, Offer for Subscription and the Intermediaries Offer. Excess Applications will therefore only be satisfied to the extent that: (i) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full; (ii) fractional entitlements have been aggregated and made available under the Excess Application Facility; (iii) the Vendor does not take up the maximum number of New Shares available for issue pursuant to the Vendor Issue and (iv) (if applicable) valid applications are received in respect of the Initial Placing, Offer for Subscription and Intermediaries Offer for fewer than the number of New Shares available thereunder.

Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility. Excess Shares under the Excess

Application Facility will be allocated to Qualifying Shareholders that have taken up all of their Open Offer Entitlements on a *pro rata* basis to their applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the New Shares should complete the Open Offer Application Form in accordance with the instructions printed on it. Completed Open Offer Application Forms should be returned by post (during normal business hours only) to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by Computershare by no later than 11.00 a.m. on 6 December 2017, after which time Open Offer Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Computershare re Ediston Property" and crossed "A/C Payee Only". Cheques or bankers' drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Open Offer Application Form. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or bankers' drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds by printing the Qualifying Shareholder's name on the back of the draft and adding the branch stamp) will be subject to the Money Laundering Regulations which will delay Shareholders receiving their New Shares (please see paragraph 5 below).

Cheques or bankers' drafts will be presented for payment upon receipt. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and bankers' drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS or electronic transfer are not acceptable.

If cheques or bankers' drafts are presented for payment before the conditions of the Share Issue are fulfilled, the application monies will be kept in a separate interest bearing bank account with any interest being retained for the Company until all conditions are met. If the Open Offer does not become unconditional, no New Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly

comply with these terms and conditions. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Open Offer Application Forms received after 11.00 a.m. on 6 December 2017; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 6 December 2017 from authorised persons (as defined in FSMA) specifying the New Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications are liable to be rejected. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

(e) *Effect of application*

By completing and delivering an Open Offer Application Form, the applicant:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for New Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company that all applications under the Open Offer and the Excess Application Facility and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England and Wales;
- (iii) confirms to the Company that, in making the application, he is not relying on any information or representation in relation to the Company and the New Shares other than that contained in the Prospectus and the applicant accordingly agrees that no person responsible solely or jointly for the Prospectus or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read the Prospectus, he will be deemed to have had notice of all information in relation to the Company and the New Shares contained in the Prospectus (including matters incorporated by reference);
- (iv) represents and warrants to the Company that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement or that he received such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (v) represents and warrants to the Company that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the New Shares to which he will become entitled be issued to him on the terms set out in the Prospectus and the Open Offer Application Form, subject to the Articles;
- (vii) represents and warrants to the Company that he is not, nor is he applying on behalf of, an Excluded Shareholder or a person in any jurisdiction in which the application for New Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New Shares which are the subject of his application in the United States or to any Excluded Shareholder or a person in any jurisdiction in which the application for New Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by

legal or regulatory restrictions from applying for New Shares under the Open Offer or the Excess Application Facility;

- (viii) warrants that, in connection with his application, he has observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his application in any territory and that he has not taken any action which will or may result in the Company or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Open Offer or his application;
- (ix) represents and warrants to the Company that: (A) he is not a US Person, is not located within the United States and is not acquiring the New Shares for the account or benefit of a US Person; (B) he is acquiring the New Shares in an offshore transaction meeting the requirements of Regulation S and did not become aware of the Open Offer by means of any directed selling efforts within the United States; (C) he understands and acknowledges that the New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are not being offered, sold, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons; and (D) he understands and acknowledges that the Company has not registered and will not register as an investment company under the Investment Company Act;
- (x) represents and warrants to the Company that if in the future he decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, he will do so only: (A) in an offshore transaction complying with the provisions of Regulation S under the Securities Act to a person outside the United States and not known by the transferor to be a US Person, by pre-arrangement or otherwise; (B) inside the United States to a “qualified institutional buyer” as defined in Rule 144A under the Securities Act that is also a “qualified purchaser” within the meaning of section 2(a)(51) of the Investment Company Act and the rules thereunder in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the investment Company Act; or (C) to the Company or a subsidiary thereof. He understands and acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (xi) represents, warrants and undertakes that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other presentation or offering materials concerning the New Shares or the Open Offer into or within the United States or to any US Persons, nor will it do any of the foregoing;
- (xii) represents and warrants that no portion of the assets used to acquire, and no portion of the assets used to hold, the New Shares or any beneficial interest therein constitutes or will constitute the assets of: (A) an “employee benefit plan” as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or a “plan” described in the preceding clauses (A) or (B) in such entity, pursuant to 29. C.F.R. 2510.3-101 as modified by section 3(42) of ERISA, in addition, if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or section 4975 of the US Tax Code, its acquisition, holding, and disposition of the New Shares will not constitute a violation of law or result in a non-exempt prohibited transaction under section 503 of the US Tax Code or any substantially similar law;

- (xiii) understands and acknowledges that if any New Shares are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the effect unless otherwise determined by the Company in accordance with applicable law:

EDISTON PROPERTY INVESTMENT COMPANY PLC (THE “**COMPANY**”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**U.S. INVESTMENT COMPANY ACT**”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT: (1) TO THE COMPANY OR A SUBSIDIARY THEREOF; (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE PROVISIONS OF REGULATIONS UNDER THE U.S. SECURITIES ACT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON, BY PRE-ARRANGEMENT OR OTHERWISE; OR (3) IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, UPON SURRENDER OF THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE AND DELIVERY OF A WRITTEN CERTIFICATION THAT SUCH TRANSFEROR IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS CLAUSE (THE FORM OF WHICH MAY BE OBTAINED FROM THE REGISTRAR) TO THE COMPANY, WITH COPIES TO THE REGISTRAR AND THE ADMINISTRATOR. IN ADDITION, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY PERSON USING THE ASSETS OF (I) (A) AN “**EMPLOYEE BENEFIT PLAN**” AS DEFINED IN SECTION 3(3) OF ERISA THAT IS SUBJECT TO TITLE I OF ERISA; (B) A “**PLAN**” AS DEFINED IN SECTION 4975 OF THE U.S. INTERNAL REVENUE OF 1986, AS AMENDED (THE “**U.S. TAX CODE**”), INCLUDING AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE CODE; OR (C) AN ENTITY WHICH IS DEEMED TO HOLD THE ASSETS OF ANY OF THE FOREGOING TYPES OF PLANS, ACCOUNTS OR ARRANGEMENTS THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE OR (II) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE IF THE PURCHASE, HOLDING OR DISPOSITION OF THE SECURITIES WILL NOT RESULT IN A VIOLATION OF APPLICABLE LAW AND/OR CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 503 OF THE U.S. TAX CODE OR ANY SUBSTANTIALLY SIMILAR LAW;

- (xiv) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- (xv) confirms that, in making the application, he is not relying and has not relied on the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in the Prospectus or his investment decision.

All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Receiving Agent, Computershare, Corporate Actions Projects, Bristol BS99 6AH or by calling Computershare Investor Services PLC on 0370 707 1079 (+44 370 707 1079 if calling from outside the UK). The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the New Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer:

(f) *General*

Subject as provided in paragraph 6 of these terms and conditions in relation to certain Overseas Investors, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of New Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to New Shares will be rounded down to the nearest whole number and any fractional Open Offer Entitlement will therefore also be rounded down. Any fractional entitlements to New Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying CREST Shareholder with fewer than two Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlement have been allocated.

If for any reason the Open Offer Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by 11.00 a.m. on 6 December 2017, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this Prospectus will be adjusted as appropriate and the provisions of this Prospectus applicable to Qualifying Non-CREST Shareholders with Open Offer Application Forms will apply to Qualifying CREST Shareholders who receive such Open Offer Application Forms.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to send Qualifying CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to issue any New Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST).

CREST members who wish to apply to acquire some or all of their entitlements to New Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare on 0370 707 1079. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(g) *Market claim*

Each of the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(h) *Excess Application Facility*

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of these terms and conditions in relation to Overseas Investors, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

The maximum number of New Shares to be allotted under the Excess Application Facility (the “**Maximum Excess Application Number**”) shall be limited to:

- (i) the maximum size of the Share Issue, less the Vendor Shares); less
- (ii) New Shares issued under the Open Offer pursuant to Qualifying Shareholders’ Open Offer Entitlements and New Shares issued pursuant to the terms of the Initial Placing, Offer for Subscription and Intermediaries Offer.

Excess Applications will therefore only be satisfied to the extent that:

- (i) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full;
- (iii) fractional entitlements have been aggregated and made available under the Excess Application Facility;
- (iii) the Vendor does not take up the maximum number of New Shares available for issue pursuant to the Vendor Issue; and
- (iv) (if applicable) valid applications are received in respect of the Initial Placing, Offer for Subscription and Intermediaries Offer for fewer than the number of New Shares available thereunder.

Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility. Excess Shares under the Excess Application Facility will be allocated to Qualifying Shareholders that have taken up all of their Open Offer Entitlements on a *pro rata* basis to their applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to Computershare on 0370 707 1079. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(i) *USE instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for New Shares in respect of all or some of their Open Offer Entitlements and/or Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of New Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of New Shares referred to in (i) above.

(j) *Content of USE Instruction in respect of Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of New Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BDFD6063;
- (iii) the CREST participant ID of the accepting CREST member;

- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 8RA21;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is EDISTON;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Shares referred to in 4.2(e)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 6 December 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 6 December 2017. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 6 December 2017 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

If the Share Issue does not become unconditional by 8:00 a.m. on 8 December 2017 or such later time and date as the Company, the Placing Agent and the Sponsor determine, the Share Issue will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(k) Content of USE instruction in respect of Excess CREST Open Offer Entitlements

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BDFD6S48;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as Receiving Agent. This is 8RA21;
- (vi) the member account ID of the Receiving Agent in its capacity as Receiving Agent. This is EDISTON;

- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Shares referred to in paragraph 4.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 6 December 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Excess Application Facility to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 6 December 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 6 December 2017 in order to be valid is 11:00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Issue does not become unconditional by 8:00 a.m. on 8 December 2017 or such later time and date as the Directors, the Placing Agent and the Sponsor determine, the Share Issue will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(l) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlement and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 6 December 2017. After depositing their Open Offer Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the

entitlement under the Open Offer set out in such Open Offer Application Form as an Open Offer Entitlement or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 1 December 2017 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements or Excess CREST Open Offer Entitlement from CREST is 4:30 p.m. on 30 November 2017 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements or Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or Excess CREST Open Offer Entitlements prior to 11:00 a.m. on 6 December 2017. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw both their Open Offer Entitlement and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Open Offer Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not an Excluded Shareholder or a person in any jurisdiction in which the application for New Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(m) *Validity of application*

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 6 December 2017 will constitute a valid application under the Open Offer.

(n) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 6 December 2017. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(o) *Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Shares as would be able to be applied for with that payment at the Share Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the New Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(p) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for New Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees that all applications and contracts resulting therefrom under the Open Offer and the Excess Application Facility shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) confirms that (save from advice received from his financial adviser (if any)) in making the application he is not relying on any information or representation in relation to the Company and the New Shares other than that contained in the Prospectus (on the basis of which alone his application is made) and the applicant accordingly agrees that no person responsible solely or jointly for the Prospectus or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read the Prospectus, he will be deemed to have had notice of all the information in relation to the Company and the New Shares contained in the Prospectus;
- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement and Excess CREST Open Offer Entitlement or that he has received such Open Offer Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vi) represents and warrants that if he has received some or all of his Open Offer Entitlement and Excess CREST Open Offer Entitlement from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) subject to certain limited exceptions, requests that the New Shares to which he will become entitled be issued to him on the terms set out in this Prospectus, subject to the Articles;
- (viii) represents and warrants that he is not, nor is he applying on behalf of any Shareholder who is an Excluded Shareholder or a person in any jurisdiction in which the application for New Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for New Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by

legal or regulatory restrictions from applying for New Shares under the Open Offer or the Excess Application Facility;

- (ix) represents and warrants that, in connection with his application, he has observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his application in any territory and that he has not taken any action which will or may result in the Company, or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Open Offer or his application;
 - (x) represents and warrants to the Company that: (A) he is not a US Person, is not located within the United States and is not acquiring the New Shares for the account or benefit of a US Person; (B) he is acquiring the New Shares in an offshore transaction meeting the requirements of Regulation S and not by means of any directed selling efforts within the United States; (C) he understands and acknowledges that the New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are not being offered, sold, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons; and (D) he understands and acknowledges that the Company has not registered and will not register as an investment company under the Investment Company Act;
 - (xi) represents and warrants to the Company that if, in the future, he decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, he will do so only: (A) in an offshore transaction complying with the provisions of Regulation S under the Securities Act to a person outside the United States and not known by the transferor to be a US Person, by pre-arrangement or otherwise; (B) inside the United States to a “qualified institutional buyer” as defined in Rule 144A under the Securities Act that is also a “qualified purchaser” within the meaning of section 2(a)(51) of the Investment Company Act and the rules thereunder in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the Investment Company Act; or (C) to the Company or a subsidiary thereof. He understands and acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
 - (xii) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
 - (xiii) confirms that in making the application, he is not relying and has not relied on the Placing Agent or any person affiliated with the Placing Agent in connection with any investigation of the accuracy of any information contained in the Prospectus or his investment decision.
- (q) *Company’s discretion as to the rejection and validity of applications*
The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in these terms and conditions;
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid

application in substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;

- (iii) treat a properly authenticated dematerialised instruction (in this subparagraph the “**first instruction**”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(r) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 8 December 2017 or such later time and date as the Company, the Placing Agent and the Sponsor may agree, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

5. Anti-money laundering regulations

5.1 Holders of Open Offer Application Forms

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its/their absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Open Offer Application Form is submitted by a UK or EU regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrar or Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Open Offer Application Form.

The person lodging the Open Offer Application Form with payment and in accordance with the other terms as described above (the “**acceptor**”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of New Shares as is referred to therein (for the purposes of this paragraph 5, the “**relevant Ordinary Shares**”) shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Ordinary Shares (notwithstanding any other term of the Open Offer and the Excess Application Facility) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its/their absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent, nor the Company will

be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn. Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Registrar, the Receiving Agent and the Sponsor from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- iv) if the aggregate subscription price for the New Ordinary Shares is less than €15,000 (approximately £12,500).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- i) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Computershare re Ediston Property" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Open Offer Application Form; or
- ii) if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar. If the agent is not such an organisation, it should contact the Registrar.

To confirm the acceptability of any written assurance referred to in (ii) above, or in any other case, the acceptor should contact Computershare by telephone on 0370 707 1079. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If the Open Offer Application Form(s) is/are in respect of New Shares with an aggregate subscription price of €15,000 (approximately £12,500) or more and is/are lodged by hand by the acceptor in person, or if the Open Offer Application Form(s) in respect of New Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11:00 a.m. on 6 December 2017, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 *Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for New Shares in respect of all or some of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction (which on its settlement constitutes a valid application as described above) constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. Overseas Investors

The Prospectus has been approved by the FCA, being the competent authority in the United Kingdom.

Accordingly, the making of the Open Offer and the Excess Application Facility to persons resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction.

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Investors who are in any doubt as to their position should consult their professional advisers without delay.

6.1 *General*

The distribution of the Prospectus and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or agents, custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for New Shares under the Open Offer or the Excess Application Facility.

No action has been or will be taken by the Company, the Placing Agent or the Sponsor or any other person, to permit a public offering or distribution of the Prospectus (or any other offering or publicity materials or Open Offer Application Form(s) relating to the New Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of the Prospectus and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, the Prospectus and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. Open Offer Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of the Prospectus and/or an Open Offer Application Form in any territory other than the United Kingdom and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory in which the Open Offer Application Form is received or in which the person is resident or located, such an invitation or offer could lawfully be made to him or her and such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, the Prospectus and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for New Shares under the Open Offer or the Excess Application Facility to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, the Placing Agent, the Sponsor nor any of their respective representatives, is making any representation to any offeree or purchaser of the New Shares regarding the legality of an investment in the New Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of the Prospectus and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer, the Excess Application Facility or otherwise, should not distribute or send any of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of the Prospectus and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for New Shares in respect of the Open Offer or the Excess Application Facility unless the Company, the Placing Agent and the Sponsor determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of the Prospectus and/or an Open Offer Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether

pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of these terms and conditions and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.6 below, any person (including, without limitation, custodians, agents, nominees and trustees) outside of the United Kingdom wishing to apply for New Ordinary Shares in respect of the Open Offer or the Excess Application Facility must satisfy himself or herself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for New Shares that appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of New Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or any other Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Investors is drawn to paragraphs 6.2 to 6.6 below.

Notwithstanding any other provision of the Prospectus or the relevant Open Offer Application Form, the Company reserves the right to permit any person to apply for New Shares in respect of the Open Offer and/or the Excess Application Facility if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Investors who wish, and are permitted, to apply for New Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such Overseas Investor is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the other Excluded Territories, Shareholders in the United States or who have registered addresses in, or who are US Persons or who are resident or ordinarily resident in, or citizens of (as applicable), any other Excluded Territory will not qualify to participate in the Open Offer or the Excess Application Facility and will not be sent an Open Offer Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Ordinary Shares have not been and will not be registered under the relevant laws of the United States or any other Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States or any other Excluded Territory or to, or for the account or benefit of, any US Person or any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No public offer of New Shares is being made by virtue of the Prospectus or the Open Offer Application Forms into the United States or any other Excluded Territory.

Receipt of the Prospectus and/or an Open Offer Application Form and/or a credit of an Open Offer Entitlement or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, the Prospectus and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 *The United States*

The New Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may be offered, sold, taken up, exercised, resold, renounced, transferred, distributed or delivered, directly or indirectly, within the United States or to US Persons only in transactions that are exempt from, or not subject to, registration under the Securities Act or the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the New Shares or Existing Shares in the United States.

Accordingly, the Open Offer is not being made in the United States or to US Persons and none of the Prospectus, the Open Offer Application Form nor the crediting of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST constitutes or will constitute an offer, or an invitation to apply for, or an offer or invitation to acquire any New Shares in connection with the Open Offer in the United States. The Prospectus will not be sent to any Shareholder with a registered address or who is otherwise located in the United States.

Any person who acquires New Shares in connection with the Open Offer will be deemed to have declared, warranted and agreed, by accepting delivery of the Prospectus and/or the Open Offer Application Form or by applying for New Shares in respect of Open Offer Entitlements or Excess CREST Open Offer Entitlements credited to a stock account in CREST and delivery of the New Shares or Excess Shares, that: (1) they are not a US Person or acquiring the New Shares for the account or benefit of a US Person, and; (2) they are not applying for the New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any New Shares into the United States.

The Company reserves the right to treat as invalid any Open Offer Application Form that appears to the Company or its agents to have been executed in or despatched from the United States, or that provides an address in the United States for the acceptance of the Open Offer, or where the Company believes such acceptance may infringe applicable legal or regulatory requirements. The Company will not be bound to allot or issue any New Shares to any person or to any person who is acting on behalf of, or for the account or benefit of, any person on a non-discretionary basis with an address in, or who is otherwise located in, the United States or who is a US Person in whose favour an Open Offer Application Form or any New Shares may be transferred. In addition, the Company, the Placing Agent and the Sponsor reserve the right to reject any many-to-many instruction sent by or on behalf of any CREST Member with a registered address or who is otherwise located in the United States in respect of New Shares or who does not make the above warranty. Any payment made in respect of Open Offer Application Forms under any of these circumstances will be returned without interest.

6.3 *Excluded Territories*

Due to restrictions under the securities laws of the Excluded Territories, Shareholders who have a registered address in, or who are resident or ordinarily resident in, or citizens of, any Excluded Territory, will not qualify to participate in the Open Offer or under the Excess Application Facility and will not be sent an Open Offer Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Ordinary Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of New Shares or Excess Shares is being made by virtue of the Prospectus or the Open Offer Application Forms into any Excluded Territory.

6.4 *Overseas territories other than Excluded Territories*

Open Offer Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions

other than the United States or the other Excluded Territories may, subject to the laws of their relevant jurisdiction, take up New Shares under the Open Offer or the Excess Application Facility in accordance with the instructions set out in this Prospectus and the Open Offer Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any New Shares in respect of the Open Offer or any Excess Shares under the Excess Application Facility.

6.5 *Representations and warranties relating to Shareholders*

Qualifying Non-CREST Shareholders

Any person completing and returning an Open Offer Application Form or requesting registration of the New Shares represents and warrants to the Company, the Placing Agent, the Sponsor, the Receiving Agent and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Open Offer Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant New Shares from within the United States or any other Excluded Territory; (ii) such person is not a US Person; (iii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire New Shares in respect of the Open Offer or Excess Application Facility or to use the Open Offer Application Form in any manner in which such person has used or will use it; (iv) such person is not acting for the account or benefit of a US Person or for a person located within any other Excluded Territory (except as agreed with the Company) or any territory referred to in (iii) above at the time the instruction to accept was given; and (v) such person is not acquiring New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares into any of the above territories. The Company, the Receiving Agent and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of New Shares comprised in an Open Offer Application Form or of Excess Shares under the Excess Application Facility if it:

- (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements;
- (ii) provides an address in the United States or any other Excluded Territory for delivery of the share certificates of New Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or
- (iii) purports to exclude the warranty required by this sub-paragraph (a).

Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in these terms and conditions represents and warrants to the Company, the Placing Agent and the Sponsor that, except where proof has been provided to the Company's satisfaction, such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not accepting within the United States or any other Excluded Territory; (ii) he or she is not a US Person; (iii) he or she is not accepting in any territory in which it is unlawful to make or accept an offer to acquire New Shares; (iv) he or she is not accepting for the account or benefit of a US Person or for a person located within any Excluded Territory (except as otherwise agreed with the Company) or any territory referred to in (iii) above at the time the instruction to accept was given; and (v) he or she is not acquiring any New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares into any of the above territories.

6.6 *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer and the Excess Application Facility relating to Overseas Investors may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, the Placing Agent and the Sponsor

in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer and the Excess Application Facility inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Open Offer Application Form and, in the event of more than one person executing an Open Offer Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 6 December 2017. Applications will be made to the FCA for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Initial Admission will become effective and that dealings in the New Shares, fully paid, will commence at 8:00 a.m. on 8 December 2017.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 6 December 2017 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to send Qualifying CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Open Offer Application Form, share certificates in respect of the New Ordinary Shares validly applied for are expected to be despatched by post in the week commencing 11 December 2017. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

8. Times and dates

The Company shall, in agreement with the Placing Agent and the Sponsor and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this Prospectus and in such circumstances shall notify the FCA and make an announcement on a Regulatory Information Service and, if appropriate, notify Shareholders (but Qualifying Shareholders may not receive any further written communication). If a supplementary document is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this Prospectus, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary document (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this Prospectus, the Open Offer Application Form and any non-contractual obligation arising out of or in connection therewith shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Prospectus or the Open Offer Application Form. By taking up New Shares in accordance with the instructions set out in this Prospectus and, where applicable, the Open Offer Application Form,

Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

10. Further information

Your attention is drawn to the further information set out in the Prospectus and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

ANNEX

AGGREGATED RESTATED HISTORICAL FINANCIAL INFORMATION ON THE SPVS FOR THE THREE YEARS ENDED 31 DECEMBER 2016

Combined Statements of Comprehensive Income

For the year ended 31 December 2014, 31 December 2015 and 31 December 2016

	<i>Note</i>	<i>31 December 2016 £</i>	<i>31 December 2015 £</i>	<i>31 December 2014 £</i>
Continuing Operations				
Revenue		7,634,247	7,133,195	4,881,341
Cost of sales		<u>(950,847)</u>	<u>(801,520)</u>	<u>(798,791)</u>
Gross profit		6,683,400	6,331,675	4,082,550
Administrative expenses		(413,257)	(300,333)	(1,031)
Unrealised (loss)/gain	2	<u>(9,467,870)</u>	<u>(8,855,793)</u>	<u>9,281,700</u>
(Loss)/profit from operations	2	(3,197,727)	(2,824,451)	13,363,219
Finance income	3	282,540	97,134	1,267
Finance Costs	4	<u>(9,347,741)</u>	<u>(9,180,237)</u>	<u>(9,167,400)</u>
(Loss)/profit before income tax expense		(12,262,928)	(11,907,554)	4,197,086
Income tax	7	<u>—</u>	<u>—</u>	<u>—</u>
(Loss)/profit and total comprehensive income for the year		<u><u>(12,262,928)</u></u>	<u><u>(11,907,554)</u></u>	<u><u>4,197,086</u></u>

All activities comprise continuing operations.

There are no recognised gains or losses other than those passing through the statement of comprehensive income.

The accompanying notes on pages 176 to 188 form part of this historical financial information.

Combined Statements of Financial Position

As at 31 December 2014, 31 December 2015 and 31 December 2016

	Note	31 December 2016 £	31 December 2015 £	31 December 2014 £
Non-current assets				
Investment properties	8	146,000,000	155,370,000	152,790,000
Goodwill	9	—	—	—
Other non-current assets	10	2,900,735	3,825,902	3,838,146
Total non-current assets		<u>148,900,735</u>	<u>159,195,902</u>	<u>156,628,146</u>
Current assets				
Trade and other receivables	11	8,714,083	9,919,602	2,373,827
Cash and cash equivalents	12	1,529	170,804	51,438
Total current assets		<u>8,715,612</u>	<u>10,090,406</u>	<u>2,425,265</u>
Current liabilities				
Trade and other payables	13	(247,157,624)	(246,401,032)	(224,424,206)
Net current liabilities		<u>(238,442,012)</u>	<u>(236,310,626)</u>	<u>(221,998,941)</u>
Total assets less current liabilities		<u>(89,541,277)</u>	<u>(77,114,724)</u>	<u>(65,370,795)</u>
Non-current liabilities				
Other creditors	14	—	(163,625)	—
Net liabilities		<u>(89,541,277)</u>	<u>(77,278,349)</u>	<u>(65,370,795)</u>
Equity				
Share capital	15	2,002	2,002	2,002
Retained earnings		(89,543,279)	(77,280,351)	(65,372,797)
Total equity		<u>(89,541,277)</u>	<u>(77,278,349)</u>	<u>(65,370,795)</u>

The accompanying notes on pages 176 to 188 form part of this historical financial information.

Combined Statements of Changes in Equity

For the year ended 31 December 2014, 31 December 2015 and 31 December 2016

	Notes	Share Capital £	Retained Earnings £	Total £
Balance at 1 January 2014		2,002	(69,569,883)	(69,567,881)
Total comprehensive profit		—	4,197,086	4,197,086
As at 31 December 2014		2,002	(65,372,797)	(65,370,795)
Total comprehensive loss		—	(11,907,554)	(11,907,554)
As at 31 December 2015		2,002	(77,280,351)	(77,278,349)
Total comprehensive loss		—	(12,262,928)	(12,262,928)
As at 31 December 2016		2,002	(89,543,279)	(89,541,277)

The accompanying notes on pages 176 to 188 form part of this historical financial information.

Combined Statements of Cash Flows

For the year ended 31 December 2014, 31 December 2015 and 31 December 2016

	31 December 2016 £	31 December 2015 £	31 December 2014 £
Cash flow from operating activities			
(Loss)/profit for the year	(12,262,928)	(11,907,554)	4,197,086
Adjustments for:			
Depreciation and amortisation	7,804,081	8,855,794	(9,281,700)
Interest payable	9,347,741	9,180,237	9,167,400
Interest receivable	(282,540)	(97,134)	(1,267)
Changes in assets and liabilities:			
Change in trade and other receivables	2,412,927	(2,946,886)	5,658,519
Change in trade and other payables	973,709	614,970	(358,476)
(Decrease)/increase in amounts owed to related parties	(662,983)	16,938,836	(6,835)
Cash flows from operations	<u>7,330,007</u>	<u>20,638,263</u>	<u>9,374,727</u>
Income tax	—	—	—
Net cash flows from operating activities	<u><u>7,330,007</u></u>	<u><u>20,638,263</u></u>	<u><u>9,374,727</u></u>
Cash flow from investing activities:			
Purchase of investment properties	1,565,919	(11,435,793)	(303,300)
Purchase of investments	—	(1,000)	—
Interest received	282,540	97,133	1,267
Net cash flows from investing activities	<u><u>1,848,459</u></u>	<u><u>(11,896,136)</u></u>	<u><u>(302,033)</u></u>
Cash flow from financing activities:			
Share capital issued	—	1,000	—
Interest paid	(9,347,741)	(9,180,237)	(9,167,400)
Net cash flows from financing activities	<u><u>(9,347,741)</u></u>	<u><u>(9,180,237)</u></u>	<u><u>(9,167,400)</u></u>
Net (decrease)/increase in cash and cash equivalents	(169,275)	119,366	(94,706)
Cash and cash equivalents at beginning of period	170,804	51,438	146,144
Cash and cash equivalents at end of period	<u><u>1,529</u></u>	<u><u>170,804</u></u>	<u><u>51,438</u></u>
Bank balances and cash	<u><u>1,529</u></u>	<u><u>170,804</u></u>	<u><u>51,438</u></u>

The accompanying notes on pages 176 to 188 form part of this historical financial information.

Notes to the Historical Financial Information

For the year ended 31 December 2014, 31 December 2015 and 31 December 2016

1. Statement of significant accounting policies

General information

The principle activity of the SPVs during the period was that of property investment. The SPVs are private limited companies, which are incorporated in England and Wales. The registered office of each SPV is at Welton Grange, Welton, Brough, East Yorkshire, HU15 1NB.

The historical financial information is presented in pounds sterling which is the functional and presentational currency of the SPVs. All amounts are rounded to the nearest £1.

Basis of preparation

The historical financial information for the years ended 31 December 2016, 31 December 2015 and 31 December 2014 has been prepared and presented on a combined basis in accordance with the 'Entities Under Common Management and Control' guidance set out in Annexure 2 to Standards for Investment Reporting 2000 (Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information).

Under this guidance, the results and net assets of the relevant entities are aggregated (with eliminations for intercompany transactions and balances), as are the related share capital balances and reserves.

The historical financial information has been prepared on the historical cost basis, except for investment properties that have been measured at fair value. The principal accounting policies adopted in the preparation of this historical financial information are set out below. The Directors of the Company are responsible for preparation of the historical financial information.

The basis of preparation describes how the financial information has been prepared in compliance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the European Union ("EU") as at 31 December 2016, along with the Companies Act 2006 as augmented to apply to entities reporting in accordance with IFRS, except as described below.

IFRS does not provide for the preparation of historical financial information and, accordingly, in preparing historical financial information, certain accounting conventions, commonly used for the preparation of the financial information for inclusion in investment circulars as described in the annexure to SIR 2000 applicable to public reporting engagements on financial information issues by the UK Auditing Practices Board, have been applied.

As the SPVs are under common management and control throughout the period of the historical financial information, the historical financial information retrospectively combines the following material entities for all periods presented (at carrying values) as if the combination had been in effect since the beginning of the first period presented, being 1 January 2014:

- Stadium (Barnsley) Limited
- Kingston Upon Hull Retail Park Limited
- Stadium (Prestatyn) Limited
- Stadium Prestatyn (South) Limited
- Stadium (Widnes) Limited

Stadium (Prestatyn) Limited acquired Stadium Prestatyn (South) Limited in April 2015. For the year ended 31 December 2016 and 31 December 2015, the results of Stadium Prestatyn (South) Limited were included in this historical financial information. As at 31 December 2016 and 31 December 2015, pre-acquisition reserves, gain on transfer of investment property to Stadium (Prestatyn) Limited from Stadium Prestatyn (South) Limited, share capital and investments were eliminated from statement of comprehensive income and statement of financial position.

The application of these conventions results in a material departure from IFRS as adopted by the EU and is explained below. In other respects, IFRS as adopted by the EU have been applied and the financial information relating to the SPVs has been prepared in a form that is consistent with the accounting policies adopted by the SPVs.

- The requirement of IAS 33 earnings per share to disclose earnings per share, has not been complied with. As the historical financial information has been prepared on a combined basis, the SPVs are unable to measure earnings per share.
- The combined historical financial information does not constitute statutory accounts within the meaning of Section 434 of Companies Act 2006 and is not a set of general purpose financial statements under paragraph three of IFRS 1 First time adoption of International Financial Reporting Standards. Consequently, the SPVs do not make an explicit and unreserved statement of compliance with IFRS as adopted by the EU.

A group is only permitted to apply the first-time adoption rules of IFRS 1 in its first set of financial statements where such an unreserved statement has been made. Although such statement has not been made here, the combined historical financial information has been prepared as if the date of transition to IFRS was 1 January 2014, with the requirements of IFRS as adopted by the EU being applied since that date.

Adoption of new and revised standards

The following IFRS and IFRIC Interpretations have been issued but have not been applied by the SPVs in preparing these financial statements, as they are not as yet effective. The SPVs intend to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 9, 'Financial instruments', effective date 1 January 2018
- IFRS 15, 'Revenue from Contracts with Customers', effective date 1 January 2018
- IFRS 16, 'Leases', effective date 1 January 2019
- Disclosure Initiative: Amendments to IAS 7: Statement of Cash Flows (effective: 1 January 2017, but not yet adopted by the EU)
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (effective: 1 January 2017, but not yet adopted by the EU).

The above standards are yet to be subject to a detailed review. IFRS 9 will impact both the measurement and disclosure of financial instruments. IFRS 15 is not considered likely to significantly impact the SPVs as the revenue consists of rental income from investment properties. IFRS 16 is not considered likely to significantly impact the SPVs as the SPVs acts as lessors in leasing transactions.

Going concern

The directors have assessed the current financial position of the SPVs, along with future cash flow requirements to determine if the SPVs have the financial resources to continue as a going concern for the foreseeable future. The directors have concluded that it is appropriate that the SPVs be considered a going concern. For this reason the SPVs have adopted the going concern basis in preparing the historical financial information. The historical financial information does not include any adjustments that would result in the going concern basis of preparation being inappropriate.

Taxation and deferred taxation

The income tax expense or income for the period is the tax payable on the current period's taxable income. This is based on the national income tax rate enacted or substantively enacted with any adjustment relating to tax payable in previous years and changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applicable when the asset or liability crystallises based on current tax rates and laws that have been

enacted or substantively enacted by the reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of temporary differences can be deducted. The carrying amount of deferred tax assets are reviewed at each reporting date.

Investment Properties

Investment properties are initially recorded at cost, which includes purchase price and any directly attributable expenditure. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period incurred and included within the book cost of the property.

After initial recognition, investment properties are measured at fair value with gains and losses recognised in the statement of comprehensive income. Fair value is based on level 3 valuation techniques provided by the directors at the year end date.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets including lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property and discount rates applicable to those assets. These estimates are based on local market conditions existing at the balance sheet date.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. On derecognition, gains and losses on disposals of investment properties are recognised in the statement of comprehensive income. Recognition and derecognition occurs on the completion of a sale.

Impairment

The carrying value of all assets are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of all assets is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which it belongs, unless the asset's value in use can be estimated to be close to its fair value. Impairment exists when the carrying value of the asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Trade and other receivables

Trade receivables are obligations to receive payment for services that have been sold. Trade receivables are recognised at original invoice amount less any provisions for bad or doubtful debts (if applicable). Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly, against any provision available and then to the statement of

comprehensive income and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income and other comprehensive income. Long-term receivables are discounted where the effect is material.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks or financial institutions, bank overdrafts and other short term highly liquid investments with original maturities of three months or less from date of acquisition. This definition is also used for cash flows. Short term liquid investments with a maturity of over three months would be included in a separate category, 'Short term liquidity investments'.

Revenue

Rental income arising on investment properties is accounted for in the statement of comprehensive income on a straight-line basis over the terms of the individual leases. All turnover arose in the United Kingdom from the principle activity.

The aggregate cost of lease incentives is recognised as a reduction in the statement of comprehensive income over the lease term on a straight-line basis. Where the SPVs receive surrender premiums for tenants who break their leases early, to the extent they are deemed capital receipts to compensate the SPVs for loss in value of property to which they relate, they are credited to retained earnings. All other surrender premiums are recognised within rental income in the statement of comprehensive income.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the SPVs and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. All revenue is stated net of the amount of value added tax (VAT).

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Cost of sales

Where service charges and other expenses are recharged to tenants, the expense and the income received in reimbursement are offset within the statement of comprehensive income and are not separately disclosed, as the directors consider that the SPVs act as agent in this respect.

Service charges and other property-related expenses that are not recoverable from tenants are recognised in expenses on an accruals basis.

Operating expenses

Operating expenses are all costs excluding finance costs and tax charges.

Finance income and expense

Finance income is recognised as interest accrues (using the effective interest method) on funds invested outside the SPVs. Finance expense includes the cost of borrowing from third parties and recognised on an effective interest rate basis, resulting from the financial liability being recognised on an amortised cost basis.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised at cost.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the SPVs become a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified into the following categories upon initial recognition:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment.

Discounting is omitted where the effect of discounting is immaterial. The SPVs' cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Trade and other receivables

Trade and other receivables do not carry any interest and are recognised at their original invoiced amounts, less an allowance for any amounts that are not considered collectible. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss within 'cost of sales'. When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'cost of sales' in the profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short term highly liquid deposits with original maturities of three months or less.

Classification and subsequent measurement of financial liabilities

The SPVs' financial liabilities include trade and certain other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest rate.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the SPVs prior to the end of the financial period, which are unpaid.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Share capital and retained earnings

Share capital represents the nominal (par) value of shares that have been issued.

Retained earnings includes all current and prior period retained profits.

First time adoption of IFRS

The transition date is 1 January 2014 for preparing the historical financial information. Details of how IFRS has affected the statement of comprehensive income and statement of financial position are given in Note 18.

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being fair value of the consideration received net of arrangement costs associated with the borrowing. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost; any difference is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method. Amortised cost is calculated by taking into account any loan arrangement costs and any discount or premium on settlement.

Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the historical financial information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the SPVs. If in the future such estimates and assumptions which are based on management's best judgement at the date of the historical financial information, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Goodwill

Goodwill arising as a result of a business combination represents the excess of the cost of the business combination over the SPVs' interest in the net fair value of identifiable assets and liabilities of the acquired business at the date of acquisition. Goodwill is initially recognised as an asset at cost and subsequently measured at cost less impairment in value, if any.

Goodwill is tested for impairment on an annual basis and also when there is an indication of impairment. Impairment losses on goodwill are not reversed. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose

Key estimates – investment property valuation

The only significant source of estimation uncertainty relates to the investment property valuations. The fair value of investment properties is determined by the directors. The properties have been valued on the basis of 'Fair Value' and VPGA1 Valuations for Inclusion in historical financial information, which adopt the definition of Fair Value as adopted by the International Accounting Standards Board. In line with the recommendation of the European Public Real Estate Association, all properties have been deemed to be level 3 under the fair value hierarchy classification set out below. This is described in more detail Note 8. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The fair value measurement for the assets and liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the SPVs can access at the measurement date.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on

assumptions as to what inputs other market participants would apply in pricing the same or a similar instrument. As explained in more detail in Note 8, all investment properties are included in level 3.

The SPVs recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

2. Loss on ordinary activities

	2016 £	2015 £	2014 £
The loss is stated after charging			
Income from investment properties	8,417,907	8,597,397	8,945,702
Amortisation	(1,550,814)	(1,630,385)	(4,064,361)
Auditor's remuneration:			
Audit services	—	—	—
Fair value adjustments	<u>9,467,870</u>	<u>8,855,793</u>	<u>9,281,700</u>

Auditor remuneration was paid by Stadium Welton Limited. A management fee was levied by Stadium Welton Limited to cover the management of the SPVs.

3. Finance income

	2016 £	2015 £	2014 £
Interest on cash and cash equivalents	12	14	9
Other interest receivable	<u>282,528</u>	<u>97,120</u>	<u>1,258</u>
	<u><u>282,540</u></u>	<u><u>97,134</u></u>	<u><u>1,267</u></u>

4. Finance costs

	2016 £	2015 £	2014 £
Interest due to group undertaking	9,347,741	9,121,233	9,167,400
Interest due to related parties	<u>—</u>	<u>59,004</u>	<u>—</u>
	<u><u>9,347,741</u></u>	<u><u>9,180,237</u></u>	<u><u>9,167,400</u></u>

5. Directors remuneration

	2016 £	2015 £	2014 £
Wages and Salaries	<u>—</u>	<u>—</u>	<u>—</u>

The directors were paid by Stadium Welton Limited. A management fee was levied by Stadium Welton Limited to cover the management of the SPVs.

6. Staff costs

The SPVs have no employees other than the directors.

7. Income tax

	2016 £	2015 £	2014 £
Current tax			
Tax on loss for the year	<u>—</u>	<u>—</u>	<u>—</u>

Tax on loss on ordinary activities for the year is lower (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are reconciled below:

	2016 £	2015 £	2014 £
(Loss)/profit for the year before taxation	<u>(12,262,928)</u>	<u>(11,907,554)</u>	<u>4,197,086</u>
Tax on loss/profit for the year at the effective rate			
Effects of: 20% (2015: 20.25% and 2014: 21.50%)	(2,452,586)	(2,411,280)	(1,093,192)
Expenses not deductible for tax purposes	1,803,587	2,121,781	873,316
Effect of capital allowance	—	—	(44,943)
Deferred tax on amortisation	327,339	—	—
Utilisation of tax losses	—	250,936	—
Group relief of nil payment	321,660	38,563	264,819
Tax charge/(credit) for the year	<u>—</u>	<u>—</u>	<u>—</u>

8. Investment properties

	2016 £	2015 £	2014 £
Opening book cost	<u>199,027,352</u>	<u>187,591,559</u>	<u>187,288,259</u>
Opening unrealised appreciation	<u>(43,657,352)</u>	<u>(34,801,559)</u>	<u>(44,083,259)</u>
Opening fair value	155,370,000	152,790,000	143,205,000
Purchases	97,870	11,435,793	303,300
Unrealised gains on investment properties	135,395	—	9,281,700
Unrealised losses on investment properties	(9,603,265)	(8,855,793)	—
Closing book cost	<u>199,125,222</u>	<u>199,027,352</u>	<u>187,591,559</u>
Closing unrealised appreciation	<u>(53,125,222)</u>	<u>(43,657,352)</u>	<u>(34,801,559)</u>
Closing fair value	<u>146,000,000</u>	<u>155,370,000</u>	<u>152,790,000</u>
Unrealised gains on investment properties	135,935	—	9,281,700
Unrealised losses on investment properties	(9,603,265)	(8,855,793)	—
Total unrealised (loss)/gain on investment properties	<u>(9,467,870)</u>	<u>(8,855,793)</u>	<u>9,281,700</u>

The SPVs are required to classify fair value measurements of their investment properties using a fair value hierarchy, in accordance with IFRS 13 'Fair Value Measurement'. In determining what level of the fair value hierarchy to classify the SPVs' investments within, the directors have considered the content and conclusion of the position paper on IFRS 13 prepared by the European Public Real Estate Association (EPREA) the representative body of the publicly listed real estate industry in Europe. This paper concludes that, even in the most transparent and liquid markets, it is likely that valuers of investment properties will use one or more significant unobservable inputs or make at least one significant adjustment to an observable input, resulting in the vast majority of investment properties being classified as level 3.

Observable market data is considered to be that which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

As at 2014 and 2015, the investment properties were valued by directors based on professional valuations carried out by a large, reputable firm of property consultants as at March 2015 and March 2016 respectively. The valuers who signed the professional valuation reports are all qualified and a member of the Royal Institute of Chartered Surveyors (RICS). The methodology applied in carrying out the valuations follows the guidelines set out in the RICS Valuation – Professional Standards 2014 (the “Red Book”). As at 2016 the investment properties were valued by the directors on an open market basis.

9. Goodwill

	2016 £	2015 £	2014 £
Cost			
Balance at the beginning of year	—	—	—
Addition	—	22,715	—
Derecognised on disposal	—	(22,715)	—
Balance at the end of year	<u>—</u>	<u>—</u>	<u>—</u>
Amortisation			
Balance at the beginning of year	—	—	—
Charge for the year	—	—	—
Derecognised on disposal	—	—	—
Balance at the end of year	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount			
Balance at the beginning of year	<u>—</u>	<u>—</u>	<u>—</u>
Balance at the end of year	<u>—</u>	<u>—</u>	<u>—</u>

Goodwill arose when Stadium (Prestatyn) Limited acquired Stadium Prestatyn (South) Limited in April 2015, at a purchase price of £4,557,476. In August 2015, Stadium Prestatyn (South) Limited transferred investment properties to Stadium (Prestatyn) Limited. Hence on disposal of cash-generating unit, the attributable amount of goodwill was fully written off to the statement of comprehensive income.

10. Other non-current assets

	2016 £	2015 £	2014 £
Prepayments and accrued income	<u>2,900,735</u>	<u>3,825,902</u>	<u>3,838,146</u>

11. Trade and other receivables

	2016 £	2015 £	2014 £
Trade debtors	—	991	—
Other debtors	1,314,736	3,010,453	2,002
Prepayments and accrued income	2,530,461	2,321,513	2,371,825
Amounts owed by group undertakings	<u>4,868,886</u>	<u>4,586,645</u>	<u>—</u>
	<u>8,714,083</u>	<u>9,919,602</u>	<u>2,373,827</u>

The amounts owed by group undertakings have no formal repayment terms and repayable on demand. The interest is charged at 6 per cent. on these amounts owed by group undertakings limited to the lower of the amount of the loan or the value of the property in the borrowing entity. The group considers the fair value of receivables to be in line with carrying values.

12. Cash and cash equivalents

	2016 £	2015 £	2014 £
Cash at bank and in hand	<u>1,529</u>	<u>170,804</u>	<u>51,438</u>

13. Trade and other payables

	2016 £	2015 £	2014 £
Trade and other payables	9,701	—	8,201
Amounts owed to group undertakings	243,453,067	243,833,809	222,308,328
Accruals and deferred income	—	844,657	—
Taxation and social security	400,345	455,245	483,611
Other creditors	<u>3,294,511</u>	<u>1,267,321</u>	<u>1,624,066</u>
	<u>247,157,624</u>	<u>246,401,032</u>	<u>224,424,206</u>

The amounts owed to group undertakings have no formal repayment terms and repayable on demand. The interest is charged at 6 per cent. on these amounts owed to group undertakings limited to the lower of the amount of the loan or the value of the property in the borrowing entity. The group considers the fair value of trade and other payables to be in line with carrying values.

14. Non-current liabilities

	2016 £	2015 £	2014 £
Other creditors	<u>—</u>	<u>163,625</u>	<u>—</u>
	<u>—</u>	<u>163,625</u>	<u>—</u>

15. Share Capital

Class	Nominal Value £	Number	2016 £	2015 £	2014 £
Allotted, called up and fully paid					
Ordinary Shares	1	2,002	<u>2,002</u>	<u>2,002</u>	<u>2,002</u>
			<u>2,002</u>	<u>2,002</u>	<u>2,002</u>

Ordinary shareholders are entitled to all dividends declared by the SPVs and to all of the SPVs' assets after repayment of their borrowings and ordinary creditors. Ordinary shareholders have the right to vote at meetings of the SPVs. All ordinary shares carry equal voting rights.

16. Related parties

The directors are considered to be related parties. No directors have an interest in any transactions which are, or were, unusual in their nature or significant to the nature of the SPVs. There are no other key management personnel, as the SPVs have no employees. The directors of the SPVs received fees for their services as disclosed in more detail in Note 5.

17. Financial risk management

Financial instruments consist mainly of cash and cash equivalents, loans and receivables, trade and other receivables, trade and other payables and borrowings.

The main purpose of non-derivative financial instruments is in respect of the SPVs' trading activities and to raise finance for their operations. The SPVs do not have any derivative instruments at 31 December 2016.

The totals for each category of financial instruments, measured in accordance with IAS 39 and IFRS 7 as detailed in the accounting policies to this historical financial information, are as follows:

	Notes	2016 £	2015 £	2014 £
Net current financial assets:				
Prepayments and accrued income	10	2,900,735	3,825,902	3,838,746
Current financial assets:				
Trade and other receivables at amortised cost	11	8,714,083	9,919,602	2,373,827
Cash and cash equivalents	12	1,529	170,804	51,438
Total financial assets		<u>11,616,347</u>	<u>13,916,308</u>	<u>6,263,411</u>
Current financial liabilities				
Financial liabilities at amortised cost:				
Trade and other payables	13	<u>247,157,624</u>	<u>246,401,032</u>	<u>224,424,206</u>
Non current financial liabilities:				
Other creditors	14	—	163,625	—
Total financial liabilities		<u>247,157,624</u>	<u>246,564,657</u>	<u>224,424,206</u>

Financial risk management policies

The overall risk management strategy of the SPVs seeks to assist their current group of companies in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Treasury risk management

The directors meet on a regular basis to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Financial risk exposures and management

The main risks that the SPVs are exposed to through their financial instruments are credit risk, liquidity risk and interest rate risk. These are managed as follows:

a. Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the group. The group's financial assets exposed to credit risk amounted to £1,529 (2015: £171,795 and 2014: £51,438), consisting of cash of £1,529 (2015: £170,804 and 2014: £51,438) and rent receivable of £nil (2015: £991 and 2014: £nil).

In the event of default by a tenant if it is in financial difficulty or otherwise unable to meet its obligations under the lease, the group 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 and may have a material adverse impact on the Financial condition and performance of the group. The directors receives regular reports on concentrations of risk and any tenants in arrears. The directors monitors such reports in order to anticipate, and minimise the impact of, defaults by occupational tenants.

Where there are concerns over the recoverability of rental income, the amounts outstanding will be fully provided for. There was a provision of £nil at 31 December 2016 (2015: £nil and 2014: £nil). There were no other financial assets which were either past due or considered impaired at 31 December 2016, 31 December 2015 or at 31 December 2014.

All of the group's cash was placed with The Santander UK plc (Santander) as at 31 December 2016, 31 December 2015 and 31 December 2014. Bankruptcy or insolvency of the bank holding cash balances may cause the group's ability to access cash placed with them to be delayed, limited or lost. Santander is rated by all the main rating agencies. Should the credit quality or the financial position of the bank currently employed significantly deteriorate, cash holdings would be moved to another bank. As at 5 June 2017, Standard & Poor's short-term credit rating for Santander was A-2 and as at 2 August 2017, Moody's was P-2. There has been no change in the fair values of cash or receivables as a result of changes in credit risk in the current or prior periods.

b. Liquidity risk

Liquidity risk arises from the possibility that the SPVs might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- ensuring that adequate unutilised borrowing facilities are maintained.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial liability and financial asset maturity analysis

	Note	Within 1 Year 2016 £	1 to 5 Years 2016 £	Total 2016 £
Financial liabilities due for payment				
Trade and other payables	13	3,704,557	—	3,704,557
Amounts owed to group undertakings	13	243,453,067	—	243,453,067
Total expected outflows		<u>247,157,624</u>	<u>—</u>	<u>247,157,624</u>
Financial assets – cash flows realisable				
Cash and cash equivalents	12	1,529	—	1,529
Trade, term and loan receivables	11	8,714,083	2,900,735	8,714,083
Other non current assets	10	—	2,900,735	2,900,735
Total anticipated inflows		<u>8,715,612</u>	<u>2,900,735</u>	<u>11,616,347</u>
Net outflow of financial instruments		<u>(238,442,012)</u>	<u>2,900,735</u>	<u>(235,541,277)</u>

c. Interest rate risk

Some of the SPVs' financial instruments are interest-bearing. They are fixed rate instruments repayable on demand. As a consequence, the SPVs are exposed to interest rate risk and its exposure to fixed interest rates gives fair value interest rate risk.

	2016		2015		2014	
	Fixed Rate £'000	Variable Rate £'000	Fixed Rate £'000	Variable Rate £'000	Fixed Rate £'000	Variable Rate £'000
Cash and cash equivalents	—	2	—	171	—	151
Amounts owed to group undertakings	243,453	—	243,834	—	222,308	—
	<u>243,453</u>	<u>2</u>	<u>243,834</u>	<u>171</u>	<u>222,308</u>	<u>51</u>

Fixed rate

The amounts owed to group undertakings have no formal repayment terms and are repayable on demand. Considering the effect on the amounts owed to group undertakings, it is estimated that an increase and/or of 0.50% in interest rates as at the balance sheet date would have no material impact due to amount being repayable on demand. As the loan balance is recognised in the historical financial information at amortised cost, this change in fair value would not have resulted in a change in the reported profit for the year, nor the net assets of the SPVs at the year end.

Variable rate

When the SPVs retain cash balances, they will ordinarily be held on interest-bearing deposit accounts. The SPVs' policy is to hold cash in variable rate or short term fixed rate bank accounts. Exposure varies throughout the year as a consequence of changes in the composition of the net assets of the SPVs arising out of the investment and risk management policies.

The Directors have considered that an increase and/or decrease of 0.50% in interest rates would have no material effect on the reported profit for the year and the net assets at 31 December 2016, 31 December 2015 and 31 December 2014. These calculations are based on the variable rate balances at the respective balance sheet date and are not representative of the year as a whole, nor reflective of actual future conditions.

d. Market risk

The management of market risk is part of the investment management process and is typical of a property investment company. The portfolio is managed with an awareness of the effects of adverse valuation movements through detailed and continuing analysis, with an objective of maximising overall returns to shareholders. Investments in properties are inherently difficult to value due to the individual nature of each property.

As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date. Such risk is minimised through the appointment of external property valuers. The basis of valuation of the property portfolio is set out in detail in the accounting policies.

Any changes in market conditions will directly affect the profit and loss reported through the statement of comprehensive income. Details of the SPVs' investment property portfolio held at the balance sheet date are disclosed in Note 8. A 10% increase in the value of the investment properties held as at 31 December 2016 would have increased net assets available to shareholders and increased the net income for the year by £14.6 million (2015: £15.54 million and 2014: £15.28 million); an equal and opposite movement would have decreased net assets and decreased the net income by an equivalent amount.

The calculations are based on the investment property valuations at the respective balance sheet date and are not representative of the year as a whole, nor reflective of future market conditions.

18. First time adoption of IFRS

This historical financial information complies with IFRS with exceptions disclosed in Note 1. The SPVs transitioned to IFRS on 1 January 2014. The transition to IFRS has resulted in no changes to equity and profit or loss.

19. Lease

The SPVs lease out their investment properties under operating leases. These properties are measured under the fair value model as the properties are held to earn rentals.

The minimum lease payments based on the unexpired lessor lease length at the year end were as follows (based on actual rentals):

	2016 £	2015 £	2014 £
Within 1 year	8,541,863	8,672,046	8,003,258
Between 2 and 5 years	30,647,400	32,091,161	30,964,626
Over 5 years	31,793,286	36,355,240	40,076,758
	<u>70,982,549</u>	<u>77,118,447</u>	<u>79,044,642</u>

The largest single tenant at the year end accounted for 15.3% (2015: 14.9% and 2014: 16.4%) of the passing rental income.

NOTES ON HOW TO COMPLETE THE OFFER FOR SUBSCRIPTION APPLICATION FORM

Offer for Subscription Application Forms should be returned so as to be received by 11.00 a.m. on 6 December 2017. All Applicants should read notes 1 – 5 and 7 – 9. 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 a minimum subscription price of £1,000 and if 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 of the Offer for Subscription Application Form.

3. Signature

The Applicant named in Box 2 must sign and date Box 3.

The Offer for Subscription 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 with the Offer for Subscription Application Form for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

4. Settlement

Payments by cheque or banker's draft

Attach a cheque or banker's draft for the exact amount shown in Box 1 of the Offer for Subscription Application Form to your completed Offer for Subscription Application Form. Your cheque or banker's draft must be made payable to "Computershare re Ediston Property" 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 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 "Computershare re Ediston Property". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or banker's draft to such effect.

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

Payments by electronic transfer

If you wish to pay by electronic transfer, payments must be made by CHAPS or SWIFT in Sterling. Payments must be made for value by 11.00 a.m. on 6 December 2017. Please contact the Receiving Agent by email at OFSPAYMENTQUERIES@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. The Receiving Agent will then provide you with a unique reference number which must be used when sending payment.

CREST settlement

The Company will apply for the New Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Initial Admission

(the “Settlement Date”). Settlement of transactions in those New Shares will normally take place within the CREST system.

The Offer for Subscription Application Form contains details of the information which the Receiving Agent will require from you in order to settle your commitment within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for the Receiving Agent to match to your CREST account, the Receiving Agent will deliver your New Shares in certificated form provided payment has been made in terms satisfactory to the Company.

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

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

By returning the Offer for Subscription Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian’s CREST account allows for the delivery and acceptance of New Shares to be made prior to 8.00 a.m. on 8 December 2017 against payment of the Share Issue Price. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in Sterling plus 2 per cent. per annum.

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

Trade date:	6 December 2017
Settlement date:	8 December 2017
Company:	Ediston Property Investment Company PLC
Security description:	Ordinary Shares of one penny each
SEDOL:	BNGMZB6
ISIN:	GB00BNGMZB68

Should you wish to settle by delivery versus payment method (“DVP”), you will need to match your instructions to the Receiving Agent’s participant account 3RA50 by no later than 1.00 p.m. on 5 December 2017.

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

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

General

Applications with a value of €15,000 or greater (or its Sterling equivalent, being approximately £12,500), 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 2017. In order to ensure compliance with the Money Laundering Regulations 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.

Where an electronic transfer is being made over the €15,000 (or its Sterling equivalent, being approximately £12,500) threshold by CHAPS the investor should also supply their bank statement to show where the sources of funds have been sent from. If the investment is £50,000 or more in Sterling, the investor must also provide a certified copy of their passport and a recent bank statement. No receipt in respect of electronic payments or acknowledgement of Applications will be issued.

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 closing of the Offer for Subscription is extended) by 11.00 a.m. on 6 December 2017, your application may not be accepted.

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

5. Shares issued in uncertificated form (that is, in CREST)

If you wish your New Shares to be issued in uncertificated form you should complete the Application Form as explained above and you must also complete Box 5. If you do not complete Box 5, you will receive your New Shares in certificated form.

6. Joint Applicants

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

If you do wish to make a joint application, you may do so with up to three other persons. Boxes 2 and 3 of the Application Form must be completed by one Applicant. All other persons who wish to join in the application must complete and sign 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 with the Application Form for inspection.

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

7. Verification of identity

Box 7 of the Application Form applies if the aggregate subscription price for the New Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,500) 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 Box 7 applies to your application, you must ensure that Boxes 7.1, 7.2 or 7.3 (as appropriate) are completed.

7.1 Professional adviser or intermediary

You should complete Box 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 aggregate subscription price payable under your application(s) exceed(s) €15,000 (or its Sterling equivalent, being approximately £12,500) 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 Box 7.3 of the Application Form unless you can have the

declaration set out in Box 7.2 of the Application Form given and signed by a firm acceptable to the Receiving Agent and the Company. Box 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 Box 7 of the Application Form applies are strongly advised to have the declaration set out in Box 7.2 of the Application Form completed and signed by a suitable firm where possible.

7.3 *Applicant identity information*

Box 7.3 of the Application Form need only be completed where the aggregate subscription price payable for the Ordinary Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,500) 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 Boxes 7.1 nor 7.2 of the Application Form can be completed.

Notwithstanding that the declaration set out in Box 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 Box 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 Box 7.3 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a 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.

8. **CRS Form**

If you are a new investor in the Company and you wish your New Shares to be issued in certificated form you will need to complete and return a Tax Residency Self Certification Form (“**CRS Form**”). The CRS Form will be included with the share certificate(s) in respect of your New Shares. Copies of the CRS Form and an equivalent form for joint holdings or corporate entity holdings can be requested from the Receiving Agent on +44 370 707 1079.

APPLICATION FORM
EDISTON PROPERTY INVESTMENT COMPANY PLC

Please return the completed form by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to be received by no later than 11.00 a.m. on 6 December 2017.

IMPORTANT – BEFORE COMPLETING THIS FORM, YOU SHOULD READ THE ACCOMPANYING NOTES ON HOW TO COMPLETE THIS APPLICATION FORM. ALL APPLICANTS MUST COMPLETE BOXES 1 TO 3 (SEE NOTES 1 – 6 OF THE ACCOMPANYING NOTES).

If you have a query concerning the completion of this Application Form please call Computershare on +44 370 707 1079. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 9.00 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

To: **Ediston Property Investment Company PLC**

Box 1. Application

I/We offer to subscribe for:

£ of New Shares (minimum £1,000 and thereafter in multiples of £1,000) fully paid on the terms, and subject to the conditions, set out in the prospectus dated 20 November 2017 (the "Prospectus") (including the Terms and Conditions of Application contained therein), the guidance notes accompanying this Offer for Subscription Application Form, and the memorandum of association and the Articles respectively.

Box 2. Personal details (PLEASE USE BLOCK CAPITALS)

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

Box 3. Signature

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

Execution by an individual:

Signature:	Date: 2017
------------	------------

Execution by a company:

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



Box 4. Settlement

(a) Cheque/Banker's Draft Details

Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Computershare re Ediston Property" and crossed "a/c Payee".

(b) Electronic Transfer

Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 11.00 a.m. on 6 December 2017 together with the name and number of the account to be debited with such payment and the branch contact details.

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

(c) CREST Settlement

If you would like to settle your commitment within CREST, your or your settlement agent's/custodian's CREST account must allow for the delivery and acceptance of New Shares to be made against payment of the Share Issue Price per Share, following the CREST matching criteria set out below:

Trade date: 6 December 2017
 Settlement date: 8 December 2017
 Company: Ediston Property Investment Company PLC
 Security description: Ordinary Shares of one penny each
 SEDOL: BNGMZB6
 ISIN: GB00BNGMZB68

If you wish to settle DVP, you will need to match your instructions to the Receiving Agent's participant account 8RA21 by no later than 1.00 p.m. on 5 December 2017.

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

Box 5. Shares issued in uncertificated form (that is, in CREST)

Please complete this section only if you require your New Shares to be credited to your CREST account.

CREST Participant ID: <small>(no more than five characters)</small>						CREST Member Account ID: <small>(no more than eight characters)</small>								
CREST Participant's Name:														

Box 6. Joint applicants (PLEASE USE BLOCK CAPITALS)

BOX 6 MUST ONLY BE COMPLETED BY JOINT APPLICANTS (SEE NOTE 6)

Mr, Mrs, Miss or Title	Forenames (in full)	Surname/Company Name	Signature

Box 7. Verification of identity

If the aggregate subscription price for the New Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,500) 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 Box 7.1, 7.2 or 7.3 (as appropriate) is completed.

Box 7.1 Professional Advisers and Intermediaries

(This Box 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).

Name of professional adviser or intermediary (in full):	
Address (in full):	
	Post code:
Contact name:	Telephone number:

Declaration by the professional adviser or intermediary

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

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

1. complete anti-money laundering verification in respect of each relevant client and to inform you of any unsatisfactory conclusion in respect of any relevant 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 the 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 Box 7.1.

Date:	2017	Official stamp (if any):
Signature:		
Full name:		
Title/position:		



Box 7.2 Reliable Introducer

(If you are not a professional adviser or intermediary to whom Box 7.1 applies, the completion and signing of the declaration in this Box 7.2 by a suitable person or institution may avoid a request for the presentation of the identity documents detailed in Box 7.3 of this form.)

(The declaration below may only be signed by a person or institution (such as a 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 the United Kingdom. Acceptable countries include Austria, Belgium, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Isle of Man, Italy, Jersey, 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 and Dickson Minto W.S.

With reference to the applicant(s) detailed in Box 2 and, in the case of joint applicants, Box 6 above, all persons signing Box(es) 3 and 6 above and the payor identified in Box 4 above if not also an applicant (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 in respect of 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 Box 2 and, in the case of joint applicants, Box 6 above and, if details of a CREST account are included in Box 5 above, that the owner thereof is the applicant named in Box 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:	2017	Official stamp (if any):
Signature:		
Full name:		
Title/position:		

Completed Offer for Subscription Application Forms should be returned by post to the Receiving Agent at Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to be received by no later than 11.00 a.m. on 6 December 2017, together in each case with payment in full in respect of the application. If you post your Offer for Subscription Application Form, you are recommended to use first class post and to allow at least two days for delivery. Offer for Subscription Application Forms received after this date may be returned.

