

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This document comprises (i) a circular prepared in accordance with Chapter 13 of the Listing Rules for the purposes of the Extraordinary General Meeting convened pursuant to the Notice of Extraordinary General Meeting set out in Part 15 of this document and (ii) a prospectus relating to Regional REIT Limited (the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made under s.73A of FSMA ("**Prospectus Rules**"). A copy of this document has been filed with, and approved by, the FCA pursuant to section 87A of FSMA and will be made available to the public in accordance with paragraph 3.2 of the Prospectus Rules.

The Directors, whose names are set out under the heading "Directors, Registered Office, Secretary and Advisers" in Part 4 of this document, and the Company accept responsibility for this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended ("**POI Law**"), and the Guernsey Registered Collective Investment Scheme Rules 2018 ("**RCIS Rules**") issued by the Guernsey Financial Services Commission (the "**GFSC**"). The GFSC, in granting registration, has not reviewed this document and has relied solely upon specific warranties provided by Jupiter Fund Services Limited, the Company's designated administrator for the purposes of the RCIS Rules. Neither the GFSC nor the States of Guernsey accepts any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

If you have sold or otherwise transferred all of your Ordinary Shares prior to the date that your Ordinary Shares are marked ex-entitlement to the Open Offer by London Stock Exchange plc (the "**London Stock Exchange**"), you should send this document and, if relevant, the enclosed Form of Proxy (and reply-paid envelope) at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or transferred any part of your registered holding of Ordinary Shares, please contact your bank, stockbroker or other agent through whom the sale or transfer was effected immediately. **The distribution of this document and the accompanying documents in or into jurisdictions other than the UK, including in or into the United States or any other Restricted Jurisdictions, may be restricted by law and may constitute a violation of local securities laws. Please refer to the section entitled 'Important Information' in Part 2 of this document if you propose to send this document and/or the accompanying documents into any jurisdiction other than the United Kingdom.** Persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, all such restrictions. This document and the accompanying documents should not be treated as an offer or invitation to subscribe for any Ordinary Shares by or to any person resident or located in a Restricted Jurisdiction.

REGIONAL REIT LIMITED

(Incorporated under Guernsey law and registered in Guernsey, Channel Islands with registered number 60527)

Proposed Placing, Open Offer, Offer for Subscription and Intermediaries Offer for a target issue of 46,948,357 New Ordinary Shares at an Issue Price of 106.5 pence per New Ordinary Share

and

Notice of Extraordinary General Meeting

Sponsor, Broker, Bookrunner and Intermediaries Offer Adviser

PEEL HUNT LLP

Notice of the Extraordinary General Meeting, to be held at 10.00 a.m. on 18 July 2019 at 20 Cursitor Street, London EC4A 1LT, is set out at the end of this document. A Form of Proxy is enclosed for use by Shareholders in connection with the Extraordinary General Meeting. To be valid, Forms of Proxy, completed in accordance with the instructions thereon, must be received at the Company's registrars, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF as soon as possible but in any event by no later than 10.00 a.m. on 16 July 2019 (or, if the Extraordinary General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting). Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

Shareholders who hold their Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of Extraordinary General Meeting. Proxies submitted via CREST must be received by Link Asset Services (ID RA10) by no later than 10.00 a.m. on 16 July 2019 (or, if the Extraordinary General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting). The appointment of a proxy using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish.

Completed Application Forms and payments under the Open Offer must be received by 11.00 a.m. on 18 July 2019. The procedures for acceptance and payment are set out in Appendix A of this document.

Completed Application Forms and payments under the Offer for Subscription must be received by 1.00 p.m. on 18 July 2019. The procedures for acceptance and payment are set out in Appendix C of this document.

Investors are advised to examine all the risks that might be relevant in connection with the value of an investment in the Company. Prospective investors should read this entire document and any documents incorporated herein by reference. In particular, your attention is drawn to the sections entitled "Risk Factors" in Part 1 of this document and the "Letter from the Chairman" in Part 5 of this document, which recommends that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting. Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in this document occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Company is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

The Existing Ordinary Shares are listed on the premium listing segment of the Official List of the FCA (the "**Official List**") and are traded on the London Stock Exchange's Main Market for listed securities. Application will be made to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List and for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities ("**Admission**"). It is expected that Admission will become effective and that unconditional dealings in the New Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 23 July 2019. No application has been, or is currently intended to be, made for the New Ordinary Shares or the Existing Ordinary Shares to be admitted to listing or dealt with on any other exchange.

Peel Hunt LLP ("**Peel Hunt**") which, in the United Kingdom, is authorised and regulated by the FCA, is acting for the Company and no one else in connection with the Capital Raising and Admission and will not regard any other person (whether or not as a recipient of this document) as its client in relation to the issue of the New Ordinary Shares. Apart from the sponsor responsibilities, if any, which may be imposed upon Peel Hunt by the FCA or under FSMA, or the regulatory regime established thereunder, Peel Hunt will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Capital Raising or Admission or the contents of this document or any transaction, or arrangement referred to in this document.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. Subject to certain exceptions, neither this document nor any advertisement nor any other offering material may be distributed or published in any Restricted Jurisdiction (including the United States).

The offer and sale of the New Ordinary Shares will not be and have not been registered under the US Securities Act or state securities laws, and accordingly the New Ordinary Shares may not be offered, sold, transferred or delivered, directly or indirectly within the United States, except pursuant to applicable exemptions from such registration. There will be no public offer of the New Ordinary Shares in the United States. The New Ordinary Shares are being offered or sold only (i) outside the United States in offshore transactions in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder and (ii) in the United States to persons reasonably believed to be a "qualified institutional buyer" as defined in Rule 144A under the US Securities Act. The Company will require the provision of a representation letter by any investors in the United States containing representations as to their status under the US Securities Act.

THE NEW ORDINARY SHARES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THE NEW ORDINARY SHARES, OR APPROVED, DISAPPROVED OR ENDORSED THE CAPITAL RAISING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser.

The date of this document is 24 June 2019.

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SUMMARY INFORMATION

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 issuer and its securities. 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 in 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 this summary together with an appropriate “**Not applicable**” statement.

Section A – Introduction and warnings		
Element	Disclosure Requirement	Disclosure
A.1	Introduction and warnings	<p>This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor.</p> <p>Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of a Member State, have to bear the costs of translating this document before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Subsequent resale or final placing of securities through financial intermediaries	<p>The Company consents to the use of this document by financial intermediaries in connection with the subsequent resale or final placing of securities by financial intermediaries in the United Kingdom, the Channel Islands and the Isle of Man on the following terms: (i) in respect of the Intermediaries who have been appointed prior to the date of this document, from the date of this document; and (ii) in respect of Intermediaries who are appointed after the date of this document, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placing of securities by financial intermediaries at 3.00 p.m. on 18 July 2019, unless closed prior to that date.</p> <p>Intermediaries are required to provide the terms of and conditions to the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Information on the terms of and conditions to any subsequent resale or final placing of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</p>

Section B – Issuer		
Element	Disclosure Requirement	Disclosure
B.1	Legal and commercial name	Regional REIT Limited.
B.2	Domicile, legal form, legislation, country of incorporation	The Company is a limited liability company, incorporated in Guernsey, Channel Islands under the Companies Law on 22 June 2015 with registered number 60527 with its registered office situated in Guernsey. The principal legislation under which the Company operates is the Companies Law.
B.3	Current operations/ principal activities and markets	The Company became a UK REIT on 7 November 2015 and, since 2015 Admission, has built a diversified property portfolio of UK office and light industrial properties located predominantly in the regional centres of the UK outside of the M25 motorway. As at 14 June 2019, it owned 149 properties across the regional markets in the UK with an annualised gross rental income of £58.2 million.
B.4a	Significant recent trends affecting the Company	<p>Background</p> <p>The Company operates a diversified portfolio of regional offices and industrial properties which are located predominately in the regional centres of the UK outside the M25 motorway.</p> <p>The Directors, the Asset Manager and Investment Manager believe that significant opportunities continue to exist in the UK regional office and industrial sector owing to strong tenant demand in high growth areas of the economy in conjunction with limited supply of suitable properties.</p> <p>Trends in capital value and yields</p> <p>The Directors believe that it is difficult to be precise about the current prospects for capital value, yield growth and transaction volumes in the current economic environment given the uncertainty surrounding the UK's planned exit from the European Union. Notwithstanding this, the Directors continue to see attractive acquisition and asset management opportunities in the market. The Company continues to target regional office and industrial sector acquisitions for value in excess of £5 million with net initial yields in excess of seven per cent.</p> <p>Further, the Company continues to focus on buying investment properties at attractive net initial yields and actively managing the portfolio to generate income uplift opportunities, which are a strong feature of the Company's portfolio and thus giving the potential for improved capital values over the longer term.</p> <p>The UK regional office and industrial sectors are also affected by the impact of macro-economic conditions.</p> <p>Macro-economic factors</p> <p>Despite the result of the UK's referendum on its membership of the EU on 23 June 2016, and the subsequent outcome of the UK's general election on 8 June 2017, the UK economy has continued to expand. The rate</p>

of unemployment continues to decline, reaching 3.8 per cent. in the first quarter of 2019, the lowest level since 1975. The employment rate (the proportion of people aged from 16 to 64 years who were in work) was 76.1 per cent., higher than a year earlier (75.6 per cent.) and the joint-highest figure since comparable records began in 1971.

Unemployment rates in the North East of England for the three months ending 31 March 2019 were 5.4 per cent., the same as the previous quarter (October to December 2018). Unemployment rates in the North West of England for the same period were 3.8 per cent., down from 4 per cent. in the previous quarter (October to December 2018).

If economic conditions across continental Europe improve, and competitiveness increases due to the fall in Sterling, the UK's trade-facing regions should experience a positive impact.

Current trading and prospects of the Group

For the year ended 31 December 2018, the Group's EPRA Net Asset Value stood at £430.5 million, with an EPRA NAV per Ordinary Share of 115.5 pence and a Group net LTV ratio of 38.3 per cent. The weighted average effective interest rate of bank borrowings was 3.5 per cent. (excluding the Regional REIT ZDP plc shares), including hedging, with a weighted average maturity of 6.4 years.

As at 31 March 2019 the Group's net LTV ratio was approximately 40 per cent.; and as at 14 June 2019, the weighted average cost of debt was 3.5 per cent.

For the year ended 31 December 2018, EPRA occupancy was 89.4 per cent., and the number of tenants was 874. As at March 2019, EPRA occupancy decreased to 88.6 per cent., and the number of tenants increased to 884.

In the first quarter of 2019, the Group continued to trade well in a market where demand for its assets remained strong and the potential deal pipeline was healthy and diverse. The Group continues to trade in line with the Directors' expectations for the year and the Directors remain confident as to the Group's ability to return to a fully covered dividend once the proceeds of the Capital Raising are fully invested, which is expected to be during 2019. This is underpinned by the Group's active asset management which is achieving good results with both recent acquisitions and the established portfolio.

Whilst the Directors are aware of general economic caution in light of uncertainty over negotiations in respect of the UK's decision to exit the European Union and the potential for rises in inflation and interest rates, they believe the Company is well placed to meet the challenges that could arise in this environment. The Company owns a large highly diversified cash generative portfolio, geographically spread across the UK, with a large number of tenants. The Board therefore remains optimistic in its outlook for the Company.

B.5	Group description	The Company owns the entire issued share capital of Midco which indirectly owns the interests in the Property Portfolio.																																																				
B.6	Major Shareholders	<p>As at the close of business on the Latest Practicable Date, so far as is known to the Company by virtue of notifications to it pursuant to the Disclosure Guidance and Transparency Rules, the following persons are directly or indirectly interested in five per cent. or more of the Company's issued share capital:</p> <ul style="list-style-type: none"> • Martin Hughes (27,154,198 Ordinary Shares)* • AXA Investment Managers (18,778,679 Ordinary Shares) <p>There are no different voting rights for any Shareholder.</p> <p>* By virtue of Martin Hughes' voting rights control of Toscafund Investments Limited</p>																																																				
B.7	Selected historical key financial information	<p>The tables below set out the Group's summary financial information for the periods indicated. The consolidated financial information for the Group for the financial period ended 31 December 2016 has been extracted without material adjustment from the 2016 Annual Report. The consolidated financial information for the Group for the year ended 31 December 2017 has been extracted without material adjustment from the 2017 Annual Report. The consolidated financial information for the Group for the year ended 31 December 2018 has been extracted without material adjustment from the 2018 Annual Report.</p> <p>Summarised Consolidated Income Statement</p> <table> <thead> <tr> <th></th> <th style="text-align: right;"><i>Year ended 31 Dec 2018 £'000s</i></th> <th style="text-align: right;"><i>Year ended 31 Dec 2017 £'000s</i></th> <th style="text-align: right;"><i>Year ended 31 Dec 2016 £'000s</i></th> </tr> </thead> <tbody> <tr> <td>Net rental income</td> <td style="text-align: right;">54,375</td> <td style="text-align: right;">45,847</td> <td style="text-align: right;">38,128</td> </tr> <tr> <td>Administration costs</td> <td style="text-align: right;">(17,586)</td> <td style="text-align: right;">(9,429)</td> <td style="text-align: right;">(8,217)</td> </tr> <tr> <td>Operating profit before gains and losses on property assets and other investments</td> <td style="text-align: right;"><u>36,789</u></td> <td style="text-align: right;"><u>36,418</u></td> <td style="text-align: right;"><u>29,911</u></td> </tr> <tr> <td>Gain on the disposal of properties</td> <td style="text-align: right;">23,127</td> <td style="text-align: right;">1,234</td> <td style="text-align: right;">518</td> </tr> <tr> <td>Change in the fair value of properties</td> <td style="text-align: right;">23,881</td> <td style="text-align: right;">5,893</td> <td style="text-align: right;">(6,751)</td> </tr> <tr> <td>Operating profit</td> <td style="text-align: right;">83,797</td> <td style="text-align: right;">43,545</td> <td style="text-align: right;">23,678</td> </tr> <tr> <td>Net finance expense</td> <td style="text-align: right;">(15,715)</td> <td style="text-align: right;">(14,513)</td> <td style="text-align: right;">(8,629)</td> </tr> <tr> <td>Impairment of goodwill</td> <td style="text-align: right;">(557)</td> <td style="text-align: right;">(557)</td> <td style="text-align: right;">(557)</td> </tr> <tr> <td>Revaluation of derivatives</td> <td style="text-align: right;">415</td> <td style="text-align: right;">217</td> <td style="text-align: right;">(1,097)</td> </tr> <tr> <td>Profit before tax</td> <td style="text-align: right;">67,940</td> <td style="text-align: right;">28,692</td> <td style="text-align: right;">13,395</td> </tr> <tr> <td>Taxation</td> <td style="text-align: right;">(567)</td> <td style="text-align: right;">(1,632)</td> <td style="text-align: right;">23</td> </tr> <tr> <td>Total comprehensive income</td> <td style="text-align: right;"><u>67,373</u></td> <td style="text-align: right;"><u>27,060</u></td> <td style="text-align: right;"><u>13,418</u></td> </tr> </tbody> </table>		<i>Year ended 31 Dec 2018 £'000s</i>	<i>Year ended 31 Dec 2017 £'000s</i>	<i>Year ended 31 Dec 2016 £'000s</i>	Net rental income	54,375	45,847	38,128	Administration costs	(17,586)	(9,429)	(8,217)	Operating profit before gains and losses on property assets and other investments	<u>36,789</u>	<u>36,418</u>	<u>29,911</u>	Gain on the disposal of properties	23,127	1,234	518	Change in the fair value of properties	23,881	5,893	(6,751)	Operating profit	83,797	43,545	23,678	Net finance expense	(15,715)	(14,513)	(8,629)	Impairment of goodwill	(557)	(557)	(557)	Revaluation of derivatives	415	217	(1,097)	Profit before tax	67,940	28,692	13,395	Taxation	(567)	(1,632)	23	Total comprehensive income	<u>67,373</u>	<u>27,060</u>	<u>13,418</u>
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Per share			
Eps – basic	18.1	9.1	4.9p
Eps – diluted	18.1	9.1	4.9p
EPRA Eps – basic	5.6	8.1	7.7p
EPRA Eps – diluted	5.6	8.1	7.7p

Summarised Consolidated Statement of Financial Position

	<i>As at</i> <i>31 Dec</i> <i>2018</i> <i>£'000s</i>	<i>As at</i> <i>31 Dec</i> <i>2017</i> <i>£'000s</i>	<i>As at</i> <i>31 Dec</i> <i>2016</i> <i>£'000s</i>
Assets			
Non-current assets	720,886	740,928	506,401
Current assets	126,986	66,587	27,574
Total assets	<u>847,872</u>	<u>807,515</u>	<u>533,975</u>
Liabilities			
Current liabilities	(83,685)	(42,644)	(23,285)
Non-current liabilities	(334,672)	(371,972)	(218,955)
Total liabilities	<u>(418,357)</u>	<u>(414,616)</u>	<u>(242,240)</u>
Net assets	<u>429,515</u>	<u>392,899</u>	<u>291,735</u>
Equity			
Stated capital	370,316	370,318	274,217
Retained Earnings	59,199	22,581	17,518
Total equity attributable to owners of the parent	<u>429,515</u>	<u>392,899</u>	<u>291,735</u>
Per share			
NAV – basic	115.2	105.4	106.4p
NAV – diluted	115.2	105.1	106.3p
EPRA NAV – basic	115.5	106.1	106.9p
EPRA NAV – diluted	115.5	105.9	106.9p

Certain significant changes in the financial condition or operating results of the Group occurred during or subsequent to the period covered by the annual reports and accounts of the Group for the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018. These are described below.

Review of significant changes in the financial performance and significant operating events for the financial years ended 31 December 2016, 31 December 2017, and 31 December 2018 and for the period from 31 December 2018 to the date of publication of this document.

Equity issuance

The Company issued: (i) 26,326,644 Ordinary Shares on 24 March 2017; and (ii) 72,277,228 Ordinary Shares on 21 December 2017, which increased the scale of its operations. The share capital of the Company now consists of 372,821,136 Ordinary Shares.

The issue of the 26,326,644 Ordinary Shares on 24 March 2017 was part of the consideration for a transaction with The Conygar Investment Company plc in which the Group acquired 31 mixed-use UK regional property assets which, in aggregate, were valued at around £129 million. As part of the transaction, the Group also assumed two banking facilities (totalling £69.4m), and Regional Commercial Midco Limited acquired Conygar ZDP plc and assumed the obligation to fund the liabilities of Conygar ZDP plc (being approximately £35.6 million in relation to zero dividend preference shares issued by Conygar ZDP plc). Conygar ZDP plc was subsequently been renamed Regional REIT ZDP plc and is now in liquidation, with all liabilities having been discharged.

Bond issuance

On 7 August 2018, the Group issued a 4.5 per cent. retail eligible bond quoted on the London Stock Exchange Retail Bonds platform. The Group successfully raised £50 million through the issue of this bond, which matures in August 2024.

Borrowings

In addition to the equity issuances noted above, the borrowings have changed as detailed in the tables below:

As at 31 December 2016:

Debt Provider	Borrower	Maturity	Total Facility Total Amount		Annual Interest Rate
			Amount (£m)	Outstanding (£m)	
Santander UK	Toscafund Glasgow Ltd	December 2018	48.300	45.432	Libor + 2.00 per cent.
Santander UK	TCP Channel Ltd	December 2018	25.343	14.340	Libor + 2.00 per cent.
Royal Bank of Scotland	TCP Arbos	June 2019	25.000	24.450	Libor + 2.15 per cent.
ICG Longbow Ltd	Tosca UK CP Ltd	August 2019	65.000	65.000	Fixed 5.00 per cent.
Santander UK	RR Wing Portfolio Limited	January 2021	30.990	30.990	Libor + 2.15 per cent.
Royal Bank of Scotland	RR Rainbow North Limited/RR Rainbow South Limited/RR Rainbow Aylesbury Limited	March 2021	40.000	39.848	Libor + 2.40 per cent.

As at 31 December 2017:

Debt Provider	Borrower	Maturity	Total Facility Total Amount		Annual Interest Rate
			Amount (£m)	Outstanding (£m)	
Zero Dividend Preference Shares	Midco	January 2019	39.879	37.389	Fixed 6.5 per cent.
ICG Longbow Ltd	Tosca UK CP Limited	August 2019	65.000	65.000	Fixed 5.00 per cent.
Royal Bank of Scotland	RR (UK) Central Limited and others	December 2020	19.336	17.376	Libor + 2.00 per cent.
HSBC	RR Sea St. Helens Ltd and others	December 2021	20.998	20.998	Libor + 2.15 per cent.
Santander UK	Toscafund Glasgow Limited and others	November 2022	70.700	70.700	Libor + 2.15 per cent.
Scottish Widows Ltd. & Aviva Investors Real Estate Finance	RR Range Limited	December 2027	165.000	165.000	Fixed 3.28 per cent.

As at 31 December 2018:

Debt Provider	Borrower	Maturity	Total Facility Total Amount		Annual Interest Rate
			Amount (£m)	Outstanding (£m)	
Scottish Widows Ltd	RR Star Limited	December 2028	36.000	36.000	Fixed 3.37 per cent.
Royal Bank of Scotland	RR UK (Central) Limited/RR UK (Cheshunt) Limited/RR UK (South) Limited	December 2021	26.458	26.458	LIBOR + 2 per cent.
HSBC	Sea Portfolio	December 2021	19.003	19.003	LIBOR + 2.15 per cent.
Santander UK	Toscafund Glasgow Limited/Toscafund Glasgow II Limited/RR Bristol Limited/RR Eureka S.á.r.l	November 2022	44.026	44.026	LIBOR + 2.15 per cent.
Scottish Widows Ltd & Aviva Investors Real Estate Finance	RR Range Limited	December 2027	165.000	165.000	Fixed 3.28 per cent.
Zero Dividend Preference Shares	Midco	January 2019	39.879	39.816	Fixed 6.5 per cent.
Retail eligible bond	The Company	August 2024	50.000	49.136	Fixed 4.5 per cent.

The equity capital issuances, bond issuance and borrowings noted above have been deployed across a number of transactions which meet the target investment criteria. These include:

- February 2016: announced acquisition of an £80 million regional office and industrial unit property portfolio (this completed in March 2016);
- September 2016: acquired the Wallace office portfolio for £5.5 million;
- March 2017: acquired a portfolio from The Conygar Investment Company plc consisting of 31 mixed-use UK regional property assets for approximately £129 million;
- 20 June 2018: exchanged contracts to sell The Point Trade & Retail Park in Glasgow for £14.1 million, representing an uplift of 5.6 per cent. against the 31 December 2017 valuation;
- 26 June 2018: completed acquisition of five regional offices and one office/distribution property for £35.2 million;
- 2 July 2018: completed sale of a regionally diverse industrial portfolio, comprising of 15 properties for £39.1 million;
- 25 September 2018: repaid £50 million of the £65 million 5 per cent. ICG Longbow Limited loan facility; and
- 6 December 2018: repaid the balance of £15 million of the 5 per cent. ICG Longbow Limited loan facility.

		<p>Other significant changes up to 31 December 2018 are listed below.</p> <ul style="list-style-type: none"> • Net rental income increased from £45.9 million for the financial year ended 31 December 2017, to £54.4 million for the financial year ended 31 December 2018. The reason for the uplift in net rental income across these periods is due to the receipt of a full period rent roll and the increased rent roll received from the enlarged property portfolio. • Operating profit before gains and losses on property assets and other investments increased from £36.4 million for the financial year ended 31 December 2017 to £36.8 million for the financial year ended 31 December 2018. The increase across the periods was due to the receipt of a full period rent roll, and increased rent roll received from the enlarged property portfolio. • Profit after tax increased from £27.1 million for the financial year ended 31 December 2017 to £67.2 million for the financial year ended 31 December 2018. The increase in profit after tax between the financial years ended 31 December 2017 and 31 December 2018 was largely the result of a change in fair value of investment properties held by the Group. • EPRA Net Asset Value of the Group increased from £395.7 million for the financial year ended 31 December 2017 to £430.5 million for the financial year ended 31 December 2018. This increase was largely due to the revaluation of investment properties held at 31 December 2017 amounting to £23.9 million, and the gain on disposal of investment properties amounting to £23.1 million. • Net asset value per share: the diluted per share EPRA Net Asset Value increased from 105.9 pence at 31 December 2017 to 115.5 pence at 31 December 2018. <p>The following significant events have occurred since 31 December 2018:</p> <ul style="list-style-type: none"> • 10 January 2019: settled the £39.9 million 6.5 per cent. zero dividend preference shares issued by the Company's indirect subsidiary, Regional REIT ZDP plc, which matured on 9 January 2019; • 4 February 2019: acquired Norfolk House in Birmingham for £20 million; • 21 February 2019: declared its final dividend in respect of the period from 1 January to 31 December 2018 of 2.50 pence per share; • 23 May 2019: declared a dividend in respect of the period from 1 January 2019 to 31 March 2019 of 1.90 pence per share;
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		<ul style="list-style-type: none"> 10 June 2019: disposed of the office building known as Aspect Court, Pond Hill, Sheffield to Sheffield Hallam University for £8.8 million; 14 June 2019: disposed of Tokenspire Business Park in Beverley for £11.1 million; 18 June 2019: Toscafund Glasgow Limited's facility with Santander UK was increased to £66 million and the term extended to 18 June 2029; and 19 June 2019: RR UK (South) Limited's facility with The Royal Bank of Scotland was increased to £55 million and the term extended to 19 June 2024. <p>Save as set out above, there has been no significant change in the Group's financial condition and operating results during the period from 1 January 2016 to 31 December 2018 and from 31 December 2018 to the date of this document.</p>
B.8	Selected pro forma financial information	Not applicable.
B.9	Profit forecast/estimate	Not applicable.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable.
B.11	Working capital – qualifications	Not applicable. The Company is of the opinion that, taking into account available bank and other facilities, the working capital available to the Group is sufficient for the Group's present requirements and, in particular, is sufficient for at least the 12 month period from the date of this document.
B.34	Investment Policy	<p>The Group will continue to pursue its investment objective by investing in, managing and disposing of a diversified portfolio of UK office and light industrial properties, which are located predominantly in the regional centres of the UK outside of the M25 motorway, in accordance with its investment strategy and financing strategy, as detailed below. In addition, the Group may, from time to time, acquire, manage and dispose of debt portfolios whose receivables are secured principally against real property that conform to the investment policy criteria. For the avoidance of doubt, the Group may make an investment through any type of entity it considers appropriate, including, without limitation, any member of the Group, and references in this Investment Policy to the Company making investments, acquiring or holding assets should be construed accordingly.</p> <p>The intention of the Directors is that the Company will continue to invest predominantly in income producing investments capable of delivering an attractive total return to Shareholders, with a strong focus on income. Investment decisions will be based on analysis of, inter alia, prospects for future income and capital growth, sector and geographic prospects, tenant covenant strength, lease length, initial and</p>

		<p>equivalent yields and the potential for active asset management of the property.</p> <p>The Directors intend to continue to conduct the affairs of the Company at all times so as to enable the Company to remain qualified as a REIT.</p> <p>Investment strategy</p> <p>The Company intends to be opportunistic in its approach and exploit what the Asset Manager and Investment Manager, working jointly and subject to oversight by the Directors, believe to be pricing inefficiencies and mismatches in the available yields between those available on regional commercial prime properties and those available on regional commercial Core Properties and Core-Plus Properties in regional centres outside of the M25 motorway.</p> <p>Some of these opportunities result from the upsizing of minimum lot sizes in institutional portfolios or by cash-constrained owners being unable to fulfil debt requirements or undertake any meaningful asset management of their properties. The Company intends to exploit these opportunities by acquiring, holding and selling real estate that it believes to be mispriced and/or which it believes has good capital and income growth prospects.</p> <p>The Company intends to enhance the capital and income growth prospects of its properties through the services of the Asset Manager, who will do so, inter alia, by way of lease restructuring, improvement of the tenant mix, letting vacant space, minimizing void costs, making physical improvements by way of refurbishment, increasing the size of properties and effecting changes of use.</p> <p>Investment restrictions</p> <p>The Group will continue to acquire Portfolio Interests that together offer Shareholders diversification of investment risk by investing in a range of geographical areas and sectors across a number of assets and tenants, and through letting properties, where possible, to low risk tenants. The Group will only invest in office and light industrial properties that are situated in the United Kingdom and outside of the M25 motorway. However, the Group may invest in property portfolios in which up to 50 per cent. of the properties (by market value) are situated inside the M25 motorway.</p> <p>No single property, in the ordinary course, is expected to exceed 10 per cent. of Gross Investment Properties Value at the time of investment; however, the Board may, in exceptional circumstances, consider a property having a value of up to 20 per cent. of Gross Investment Properties Value at the time of investment. The minimum market value of any single asset at the time of acquisition shall be £5 million, except where such asset is acquired within a portfolio of properties, in which case there shall be no such minimum.</p> <p>No more than 20 per cent. of the Gross Investment Properties Value shall be exposed to any single tenant or Group Undertaking of that tenant.</p> <p>Speculative development (i.e. properties under construction, but excluding any refurbishment works, which</p>
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		<p>have not been pre-let) is prohibited. Development, other than such speculative development, is restricted to an aggregate maximum of 15 per cent. of Gross Investment Properties Value at the time of investment or commencement of the development. The Company will invest in commercial properties or portfolios of commercial property assets in the office and industrial sectors but which, in addition, may include ancillary or secondary utilisations such as retail, leisure and residential elements.</p> <p>The Company does not expect to acquire Portfolio Interests by way of joint ventures, nor does it expect to acquire less than 100 per cent. ownership in any single property. However, the Company is permitted to make investments through these types of investment structures provided (i) that the Company is able to exert a level of control over the underlying investment that the Board and the Investment Manager consider reasonable in the circumstances; and (ii) no more than 25 per cent. of Gross Investment Properties Value at the time of acquisition is attributable to investments where the Company (or its wholly-owned subsidiaries) does not have 100 per cent. ownership.</p> <p>These investment restrictions shall not require the Group to dispose of Portfolio Interests and/or to rebalance its Property Portfolio as a result of a change in the respective valuations of the Portfolio Interests, except to the extent required by the Listing Rules or for the Group to continue to qualify as a REIT.</p>
B.35	Borrowing limits	<p>The Group will continue to use gearing and make use of borrowed funds and other forms of leverage to execute its investment strategy and enhance equity returns, provided that the Board considers it to be in the best interests of Shareholders to do so. Such leverage will vary significantly depending on prevailing market conditions. The Board expects that the Group will continue to predominantly look to traditional lending sources such as banks for gearing, but is permitted to utilise leverage from other commercial providers and market counterparties. Based on current market conditions, the Board will target Group net borrowings of 40 per cent. of Gross Investment Properties Value at any time. However the Board may modify the Company's gearing policy (including the level of gearing) from time to time in light of then-current economic conditions, relative costs of debt and equity capital, fair value of the Company's assets, growth and acquisition opportunities or other factors the Board deems appropriate. The level of gearing will be monitored carefully by the Board in light of the cost of borrowing and the Company will seek to use hedging where considered appropriate to mitigate interest rate risk. The Group's net borrowings may not exceed 50 per cent. of the Gross Investment Properties Value at any time. The Group will be under no obligation to reduce borrowings to the extent that this target is exceeded for reasons outside of its control, for instance as a result of changes in property values. The Group's borrowings are expected to be secured on one or more Portfolio Interests.</p> <p>The Group may borrow for any purpose, including, but not limited to, increasing investment capacity, paying operating</p>

		<p>expenses, paying repurchase or distribution proceeds or for clearance of transactions. Other than described above, no restrictions have been imposed on the circumstances in which the Company may employ leverage. The Company has no intention to make use of collateral and asset reuse arrangements in connection with any leverage.</p>
B.36	Regulatory status	<p>The Company is registered with the GFSC as a closed-ended collective investment scheme under the POI Law and the RCIS Rules.</p> <p>The Company is an AIF and the Investment Manager has been appointed as its AIFM. The Company is subject to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules, MAR, the rules of the London Stock Exchange and the Companies Law.</p> <p>As a REIT, the Ordinary Shares are “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares will not be subject to the FCA’s restriction on the promotion of non-mainstream pooled investments.</p> <p>The Company became a REIT on 2015 Admission and the Group will need to comply with certain ongoing regulations and conditions (including minimum distribution requirements) in order to retain its REIT status.</p>
B.37	Profile of typical investor	<p>The typical investors in the Company are expected to be institutional investors, professional investors, high net worth investors, professionally advised private investors and retail investors who are looking to allocate part of their investment portfolio to the UK regional commercial real estate market.</p> <p>An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Ordinary Shares, for whom an investment in the Ordinary Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment. Investors may wish to consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor before making an investment in the Company.</p>
B.38	Investment of 20 per cent. or more of gross assets (i) directly or indirectly in a single underlying asset, (ii) in one or more collective investment undertakings or (iii) exposed to the creditworthiness or solvency of any one counterparty	<p>Not applicable. The Company may not, pursuant to the Investment Policy, invest more than 20 per cent. of the Gross Asset Value at the time of investment in any such investment.</p>

B.39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. The Company may not, pursuant to the Investment Policy, invest more than 40 per cent. of the Gross Asset Value at the time of investment in a single underlying asset or investment company.
B.40	A description of the applicant's service providers including the maximum fees payable.	<p>Asset Manager London & Scottish Property Investment Management Limited (the “Asset Manager”) provides property management services to the Group. Under the Asset Management Agreement, the Asset Manager is responsible for the day to day management of the Property Portfolio, subject to the investment objective of the Company and its Investment Policy and the overall supervision of the boards of the entity to which the particular property management services are provided, and advises the Company on the acquisition, management and disposal of the real estate assets of the Group.</p> <p>Investment Manager Toscafund Asset Management LLP (the “Investment Manager”) is the investment manager of the Company (and provides certain related services to Midco and the Jersey limited companies which hold property directly) pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager is responsible for the day to day management of the Company's investments, subject to the investment objective and the investment policy of the Company and the overall supervision of the Directors and provides such services that are required to be carried out by an AIFM under the AIFM Directive.</p> <p>Administrator and Sub-Administrator The Administrator has been appointed as the administrator pursuant to the Administration Agreement which was entered into on 2015 Admission. Under the terms of the Administration Agreement, the Administrator is responsible for the Company's general administrative functions.</p> <p>An annual fee of £36,800 is payable by the Company to the Administrator. An annual fee of £116,200 is payable by the Company to the Sub-Administrator.</p> <p>Company secretary The Company Secretary has been appointed as the company secretary pursuant to the Company Secretary Agreement.</p> <p>A fee of £5,000 in respect of support at each quarterly board meeting, and £7,500 in respect of support at each annual general meeting, is payable by the Company to the Company Secretary. Advice in respect of AIC Code of Corporate Governance, the Listing Rules, MAR and the Disclosure Guidance and Transparency Rules compliance is charged at £25,000 per annum.</p> <p>Depositary The Depositary has been appointed to perform the depositary functions pursuant to Articles 21(7), (8) and (9) of the AIFM Directive pursuant to the Depositary Agreement.</p>

		<p>Under the terms of the Depositary Agreement, the Depositary is responsible for setting up and maintaining securities records and cash accounts, cash flow monitoring, safekeeping and verification of the Company's assets and performing the oversight function in accordance with Articles 21(7), (8) and (9) of the AIFM Directive.</p> <p>The Depositary is entitled to a fee of £42,800 per annum. If additional special purpose vehicles are added to the Group, there will be a one-off fee of £500 and the annual fee will also increase by £250 per annum.</p> <p>Registrar</p> <p>The Registrar has been appointed registrar of the Company pursuant to the Registrar Agreement. An annual fee of £2.11 per holder of Ordinary Shares appearing on the Company's register during the fee year (subject to a minimum charge per annum of £7,000 is payable by the Company to the Registrar. In addition, the Registrar will charge the Company (i) a £0.27 fee for each CREST transfer; a £5.27 fee for each non-CREST transfer; and (iii) £1,400 fee for each dividend declared and paid.</p>
B.41	Regulatory status of manager and depositary	<p>The Investment Manager is authorised and regulated by the FCA (firm number: 454907).</p> <p>The Depositary is authorised and regulated by the FCA (firm number: 606784).</p>
B.42	Calculation of net asset value	<p>The Net Asset Value (and Net Asset Value per Share) is calculated half-yearly by the Administrator on behalf of the Company. Calculations are at fair value as determined by the Administrator on the basis of market value in accordance with the internationally accepted RICS Appraisal and Valuation Standards. Consistent with other listed European real estate investment companies, the Directors follow the guidance published by EPRA and disclosure adjusted measures of Net Asset Value (and Net Asset Value per Share) which are designed by EPRA to reflect better the core long term operations of the business. Details of each half-yearly valuation, and of any suspension in the making of such valuations are announced by the Company through an RIS as soon as practicable after the end of the relevant six month period. The half-yearly valuations of the Net Asset Value (and Net Asset Value per Share) are calculated on the basis of the most recent annual independent valuation of the Group's properties and any other assets or most recent half-yearly desktop valuation.</p> <p>The calculation of the Net Asset Value (and Net Asset Value per Share) will only be suspended in circumstances where the underlying data necessary to value the investments of the Group cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through an RIS as soon as practicable after any such suspension occurs.</p>

B.43	Cross-liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.																																																																																										
B.45	Portfolio	<p>As at the date of this document, the Property Portfolio comprised the following assets (Tables may not sum due to rounding):</p> <p>Property Portfolio by business segment</p> <table border="1"> <thead> <tr> <th><i>Business segment</i></th> <th><i>Properties (no.)</i></th> <th><i>Market values (£m)*</i></th> <th><i>EPRA Occupancy (%)</i></th> <th><i>Lettable area (million sq. ft.)</i></th> <th><i>Annualised gross rental income (£m)</i></th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>106</td> <td>564.6</td> <td>87.7</td> <td>4.4</td> <td>45.6</td> </tr> <tr> <td>Industrial</td> <td>16</td> <td>103.0</td> <td>94.8</td> <td>2.1</td> <td>6.8</td> </tr> <tr> <td>Retail</td> <td>25</td> <td>43.4</td> <td>92.9</td> <td>0.5</td> <td>5.0</td> </tr> <tr> <td>Other</td> <td>2</td> <td>10.2</td> <td>95.0</td> <td>0.1</td> <td>0.7</td> </tr> <tr> <td>Total</td> <td>149</td> <td>721.2</td> <td>88.9</td> <td>7.2</td> <td>58.2</td> </tr> </tbody> </table> <p>Property Portfolio by geography</p> <table border="1"> <thead> <tr> <th><i>Business segment</i></th> <th><i>Properties (no.)</i></th> <th><i>Market values (£m)**</i></th> <th><i>EPRA Occupancy (%)</i></th> <th><i>Lettable area (million sq. ft.)</i></th> <th><i>Annualised gross rental income (£m)</i></th> </tr> </thead> <tbody> <tr> <td>Scotland</td> <td>40</td> <td>125.9</td> <td>81.8</td> <td>1.7</td> <td>11.4</td> </tr> <tr> <td>South East</td> <td>30</td> <td>209.8</td> <td>93.2</td> <td>1.5</td> <td>16.4</td> </tr> <tr> <td>North East</td> <td>20</td> <td>80.6</td> <td>88.5</td> <td>0.9</td> <td>6.7</td> </tr> <tr> <td>Midlands</td> <td>31</td> <td>134.7</td> <td>90.9</td> <td>1.4</td> <td>10.9</td> </tr> <tr> <td>North West</td> <td>14</td> <td>78.9</td> <td>86.3</td> <td>0.9</td> <td>5.3</td> </tr> <tr> <td>South West</td> <td>12</td> <td>71.8</td> <td>92.8</td> <td>0.4</td> <td>5.8</td> </tr> <tr> <td>Wales</td> <td>2</td> <td>19.5</td> <td>87.9</td> <td>0.2</td> <td>1.6</td> </tr> <tr> <td>Total</td> <td>149</td> <td>721.2</td> <td>88.9</td> <td>7.2</td> <td>58.2</td> </tr> </tbody> </table> <p>*as at 14 June 2019 **as at 14 June 2019</p>	<i>Business segment</i>	<i>Properties (no.)</i>	<i>Market values (£m)*</i>	<i>EPRA Occupancy (%)</i>	<i>Lettable area (million sq. ft.)</i>	<i>Annualised gross rental income (£m)</i>	Office	106	564.6	87.7	4.4	45.6	Industrial	16	103.0	94.8	2.1	6.8	Retail	25	43.4	92.9	0.5	5.0	Other	2	10.2	95.0	0.1	0.7	Total	149	721.2	88.9	7.2	58.2	<i>Business segment</i>	<i>Properties (no.)</i>	<i>Market values (£m)**</i>	<i>EPRA Occupancy (%)</i>	<i>Lettable area (million sq. ft.)</i>	<i>Annualised gross rental income (£m)</i>	Scotland	40	125.9	81.8	1.7	11.4	South East	30	209.8	93.2	1.5	16.4	North East	20	80.6	88.5	0.9	6.7	Midlands	31	134.7	90.9	1.4	10.9	North West	14	78.9	86.3	0.9	5.3	South West	12	71.8	92.8	0.4	5.8	Wales	2	19.5	87.9	0.2	1.6	Total	149	721.2	88.9	7.2	58.2
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B.46	An indication of the most recent net asset value per security (if applicable).	The fully diluted EPRA NAV as at 31 December 2018 was £430.5 million which equates to a fully diluted EPRA NAV per Ordinary Share of 115.5 pence.																																																																																										

Section C – Securities

Element	Disclosure Requirement	Disclosure
C.1	Type and class of the securities	<p>The Company is targeting an issue of 46,948,357 New Ordinary Shares of no par value pursuant to the Capital Raising, comprising the Placing, Open Offer, Offer for Subscription and Intermediaries Offer.</p> <p>The ISIN for the New Ordinary Shares is GG00BYV2ZQ34. The SEDOL of the New Ordinary Shares is BYV2ZQ3. The ticker for the Ordinary Shares is RGL.</p> <p>The ISIN for the Open Offer Entitlements is GG00BK8LQN98. The SEDOL for the Open Offer Entitlements is BK8LQN9.</p> <p>The ISIN for the Excess Open Offer Entitlements is GG00BK8LV233. The SEDOL for the Excess Open Offer Entitlements is BK8LV23.</p>
C.2	Currency	The Existing Ordinary Shares are denominated in Sterling and the New Ordinary Shares will also be denominated in Sterling.
C.3	Number of securities in issue	<p>The number of Existing Ordinary Shares in issue as at the Latest Practicable Date was 372,821,136.</p> <p>As at the Latest Practicable Date, the Company held no Existing Ordinary Shares in treasury.</p>

C.4	Description of the rights attached to the securities	<p>Voting Rights</p> <p>Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, the Shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company.</p> <p>Each Shareholder being present in person or by proxy or by a duly authorised representative (if a company) at a general meeting of the Company shall upon a show of hands have one vote and upon a poll all Shareholders shall have one vote for every Ordinary Share held.</p> <p>Dividend rights</p> <p>Shareholders will be entitled to receive such dividends as the Directors may resolve to pay to them out of the assets of the Company attributable to their Ordinary Shares.</p> <p>Return of capital</p> <p>Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Ordinary Shares in a winding up of the Company or a winding up of the business of the Company.</p>
C.5	Restrictions on the free transferability of the securities	<p>Restrictions on the free transferability of the securities</p> <p>The Board may, in its absolute discretion, and without giving a reason, refuse to register a transfer of any share which is not fully paid or over which the Company has a lien, provided that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the Directors may also refuse to register a transfer of shares (to the extent permitted by the Regulations and the RCIS Rules) (i) if it is in respect of more than one class of shares; (ii) if it is in favour of more than four joint transferees; (iii) if applicable, if it is delivered for registration to the Company's registered office or such other place as the Board may decide, not accompanied by the certificate for the shares to which it relates and such evidence as the Board may reasonably require; (iv) if the transfer is in favour of any Non-Qualified Holder; or (v) if the transfer would make the Company a close company.</p> <p>In addition, if it comes to the notice of the Company that any Ordinary Shares are owned directly or indirectly or beneficially by any Non-Qualified Holder, the Board may serve a notice upon such Non-Qualified Holder to transfer the Ordinary Shares to an eligible transferee within 30 days of such notice and, if the obligation to transfer is not satisfied, the Company may exercise other discretions set forth in the Articles.</p> <p>The Ordinary Shares have not been, nor will be, registered in the United States under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to restrictions on transfer contained in such laws. There are restrictions on the purchase, transfer and sale of Ordinary Shares by persons who are located in the United States.</p>

C.6	Admission to trading on a regulated market	Applications will be made to the Financial Conduct Authority and to the London Stock Exchange for all of the New Ordinary Shares to be admitted to, respectively, the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities, which is a regulated market. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 23 July 2019.																																																												
C.7	Dividend policy	<p>At the time of 2015 Admission, the Company stated that it would assemble a property portfolio supporting a target dividend between seven to eight pence per Ordinary Share per annum.</p> <p>As a REIT, the Company is required to distribute at least 90 per cent. of the profits from its property rental business as dividends.</p> <p>Currently, the Company pays dividends on a quarterly basis with dividends declared in February, May, August and November in each year and paid as soon as practicable thereafter.</p> <p>With the exception of the dividend declared on 23 May 2019, which is expected to be paid on 12 July 2019, the Board has declared and paid the following dividends totalling 24.55 pence per Ordinary Share in respect of the period from 2015 Admission to the Latest Practicable Date:</p> <table border="1" data-bbox="683 1055 1394 1765"> <thead> <tr> <th><i>Year</i></th> <th><i>Declaration Date</i></th> <th><i>Amount</i></th> </tr> </thead> <tbody> <tr> <td colspan="3">2015</td> </tr> <tr> <td>Q4 (pursuant to 2015 Admission on 6 November 2015)</td> <td>7 March 2016</td> <td>1.00 pence per share</td> </tr> <tr> <td colspan="3">2016</td> </tr> <tr> <td>Q1</td> <td>27 May 2016</td> <td>1.75 pence per share</td> </tr> <tr> <td>Q2</td> <td>1 September 2016</td> <td>1.75 pence per share</td> </tr> <tr> <td>Q3</td> <td>17 November 2016</td> <td>1.75 pence per share</td> </tr> <tr> <td>Q4</td> <td>23 February 2017</td> <td>2.40 pence per share</td> </tr> <tr> <td colspan="3">2017</td> </tr> <tr> <td>Q1</td> <td>25 May 2017</td> <td>1.80 pence per share</td> </tr> <tr> <td>Q2</td> <td>31 August 2017</td> <td>1.80 pence per share</td> </tr> <tr> <td>Q3</td> <td>14 November 2017</td> <td>1.80 pence per share</td> </tr> <tr> <td>Q4</td> <td>22 February 2018</td> <td>2.45 pence per share</td> </tr> <tr> <td colspan="3">2018</td> </tr> <tr> <td>Q1</td> <td>17 May 2018</td> <td>1.85 pence per share</td> </tr> <tr> <td>Q2</td> <td>31 August 2018</td> <td>1.85 pence per share</td> </tr> <tr> <td>Q3</td> <td>15 November 2018</td> <td>1.85 pence per share</td> </tr> <tr> <td>Q4</td> <td>21 February 2019</td> <td>2.50 pence per share</td> </tr> <tr> <td colspan="3">2019</td> </tr> <tr> <td>Q1</td> <td>23 May 2019</td> <td>1.90 pence per share</td> </tr> </tbody> </table> <p>The next dividend is expected to be declared in August 2019 and paid in October 2019 (the “2019 Q2 Dividend”). The Board’s current intention is to pay an amount of approximately 1.90 pence per Ordinary Share in relation to the 2019 Q2 Dividend.</p> <p>The New Ordinary Shares issued in connection with the Capital Raising will rank, from Admission, <i>pari passu</i> in all</p>	<i>Year</i>	<i>Declaration Date</i>	<i>Amount</i>	2015			Q4 (pursuant to 2015 Admission on 6 November 2015)	7 March 2016	1.00 pence per share	2016			Q1	27 May 2016	1.75 pence per share	Q2	1 September 2016	1.75 pence per share	Q3	17 November 2016	1.75 pence per share	Q4	23 February 2017	2.40 pence per share	2017			Q1	25 May 2017	1.80 pence per share	Q2	31 August 2017	1.80 pence per share	Q3	14 November 2017	1.80 pence per share	Q4	22 February 2018	2.45 pence per share	2018			Q1	17 May 2018	1.85 pence per share	Q2	31 August 2018	1.85 pence per share	Q3	15 November 2018	1.85 pence per share	Q4	21 February 2019	2.50 pence per share	2019			Q1	23 May 2019	1.90 pence per share
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		<p>respects with the Existing Ordinary Shares and will have the right to receive all dividends and distributions declared in respect of issued Ordinary Share capital of the Company after Admission, including the 2019 Q2 Dividend.</p> <p>The Company intends to pursue a progressive dividend policy and its quarterly dividends provide a source of regular income for Shareholders, thus improving their cashflow return profile. The annual dividend target for the year ended 31 December 2019 is 8.25 pence per Ordinary Share.*</p> <p>The level of future dividends will be determined by the Board having regard to, among other things, the financial position and performance of the Group at the relevant time, UK REIT requirements and the interests of Shareholders as a whole.</p>
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Section D – Risks		
Element	Disclosure Requirement	Disclosure
D.1/D.2/ D.3	Key information on key risks specific to the issuer or its industry	<p>Risks relating to the Group and the market in which it operates</p> <p>The Group's financial performance will be affected by variations in the macro-economic environment, as well as general conditions affecting the office and light industrial property real estate market as a whole and/or events specific to the Group's investments, such as a decrease in capital values and weakening of rental yields. While UK real estate markets have, in general, recovered in recent years following the global economic recession and credit crisis, there nevertheless remain certain downward pressures that the market may need to contend with, such as a potential rise in interest rates, political uncertainty relating to the tax regime and the availability of third party funding (which, while more available than at the height of the recession, is still scarce for certain types of investment). This may be impacted further by increases in banking regulation and by political uncertainty as part of the negotiation of the UK's exit from the European Union.</p> <p>The Group's ability to generate revenues from its portfolio is linked to occupancy levels, rental payments (including the timeliness thereof) and the scope for rental increases. These factors are themselves determined to varying degrees by a number of other macro-economic factors outside of the Group's control, including, but not limited to: the underlying performance of the tenants that rent space in those properties, which is influenced by consumer spending and fluctuations in disposable income, the solvency of retailers, the availability of lending and consumer credit, the level of consumer indebtedness, consumer and business confidence, gross domestic product growth, infrastructure quality, financial performance and productivity of industry, levels of employment, interest rates, tax rates, business rates, government policies on spending and/or fiscal</p>

*This is a target only and not a profit forecast. There can be no assurance that this target can or will be met and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on this target in deciding whether to invest in the New Ordinary Shares. In addition, prior to making any investment decision, prospective investors should carefully consider the risk factors described in Part 1 of this document.

		<p>stimulus, trends in house prices, fluctuations in weather and other seasonal cycles, taxation, changes in laws and governmental regulations in relation to property (including those governing permitted and planning usage, taxes and governmental charges, health and safety and environmental compliance) and oil prices. The Group manages its properties with a focus on net income, but is also mindful of protecting values and tenant mix strategies for medium and long term value creation.</p> <p>The UK held a referendum on its continued membership of the European Union on 23 June 2016, the result of which was a majority vote in favour of the UK's exit from the European Union. Following this vote, on 29 March 2017, the UK Government issued a withdrawal notice pursuant to Article 50 of the Lisbon Treaty, commencing the process for the UK to leave the European Union. The political, economic, legal and social consequences, the exact timing of the UK's exit from the European Union and the ultimate agreement to be reached between the UK and the European Union regarding the UK's exit remain uncertain as at the date of this document.</p> <p>Returns achieved by the Company will be reliant primarily upon the performance of the Property Portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in Ordinary Shares.</p> <p>The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of properties in the Property Portfolio from time to time, changes in the Group's rental income, operating expenses, occupancy rates, the degree to which the Group encounters competition and general economic and market conditions. Such variability may be reflected in dividends, may lead to volatility in the trading price of Ordinary Shares and may cause the Company's results for a particular period not to be indicative of its performance in a future period.</p> <p>Real estate risks</p> <p>The valuation of the Group's properties is inherently uncertain due to, amongst other things, the individual nature of each property, its location and the expected future rental revenues from that particular property and the fact that the valuation of property is inherently a subjective exercise based on a range of assumptions and estimations which require professional judgment.</p> <p>In determining market value, valuers are required to make certain assumptions. Such assumptions may prove to be inaccurate. Incorrect assumptions or flawed assessments underlying a valuation report could negatively affect the Group's financial condition and potentially inhibit the Group's ability to realise a sale price that reflects the stated valuation. This is particularly so in periods of volatility or when there has been limited transactional evidence against which property valuations can be benchmarked. Further, if the Group acquires properties based on inaccurate valuations, the Group's net assets and results of operations</p>
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		<p>may be materially adversely affected. There can be no assurance that the valuations of the Group's current and prospective properties 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 estimated annual rental income will prove to be attainable.</p> <p>The successful completion of any acquisition may be impacted by various factors, including the inability to satisfy any condition(s) precedent to such acquisition. The Group may also be exposed to substantial undisclosed or unascertained liabilities embedded in properties that were incurred or arose prior to the acquisition of the properties. These liabilities may include, in cases where the Group has acquired the entity which owned the property, tax liabilities, liabilities to state entities and liabilities to existing tenants, to creditors or to other persons involved with the properties prior to the acquisition. Furthermore, there can be no assurance that the title to the properties in any acquisition will not be subject to challenge. It can be difficult in certain cases to establish beyond doubt that such title is incapable of challenge. Any successful challenge to the validity of the Group's title to a property may have adverse consequences for its title and the Group may not be able to obtain compensation from the seller in such case.</p> <p>The Group's properties, and those in which the Group may invest in the future, are relatively illiquid in the sense that there may not be ready buyers with financing and who are willing to pay fair value at the time the Group desires to sell. In addition, in the case of leasehold properties, consents are often required from landlords to transfer such properties. Such illiquidity and/or consent requirements may affect the Group's ability to dispose of, or liquidate part of, its portfolio in a timely fashion and at satisfactory prices (or at all) in response to changes in economic, real estate market or other conditions or to finance its risk-controlled development activity.</p> <p>In the case of an accelerated sale, or a sale required for compliance with covenants contained in the Group's financing, or in the event of enforcement of security by a lender under one of the Group's borrowing facilities, there may be a significant shortfall between the carrying value of the property on the Group's consolidated balance sheet and the price achieved on the disposal of such property, and there can be no assurance that the price obtained from such a sale would cover the book value of the property sold.</p> <p>The Group may be exposed to future liabilities and/or obligations with respect to the disposal of its property investments. The Group may be required, or may consider it prudent, to set aside provisions for warranty claims or contingent liabilities in respect of property disposals. The Group may be required to pay damages (including, but not limited to, litigation costs) to a purchaser to the extent that any representations and/or warranties that it has given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants or obligations contained in the disposal documentation.</p>
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		<p>Risks of leverage</p> <p>Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Ordinary Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Property Portfolio falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.</p> <p>Risks relating to the Capital Raising and the Ordinary Shares</p> <p>The issue of the New Ordinary Shares pursuant to the Capital Raising is conditional, among other things, upon the passing of the Capital Raising Resolution proposed for consideration at the Extraordinary General Meeting. In the event that Shareholders do not pass the Capital Raising Resolution, the Capital Raising will not complete. In such circumstances, the Group may not be able to take advantage of some or all of the acquisition and refurbishment opportunities in its pipeline. As a result, the Company may not be able to deliver returns to Shareholders which it might have been able to had the Capital Raising proceeded and/or the Group may become more reliant on debt facilities which may have a material adverse effect on the Group's financial condition, business, prospects and results of operations and may delay or limit distributions to Shareholders and the Group's ability to take advantage of investment and/or development opportunities.</p> <p>Risks relating to liquidity</p> <p>There can be no assurance that a liquid market in the Ordinary Shares will be maintained or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value per Share. Accordingly, Shareholders may be unable to realise their investment at Net Asset Value per Share or at all.</p> <p>Risks relating to dividends</p> <p>Notwithstanding the Company's quarterly dividend programme, the Company may not pay dividends if the Directors believe that this would cause the Company to be less than adequately capitalised or if for any other reason the Directors determine, in the exercise of their statutory duties as directors, that it would not promote the success of the Company or be in its best interests to do so. Future dividends will depend on, amongst other things, the Group's future profits, financial position, working capital requirements, macro-economic conditions and other factors that the Directors deem significant from time to time.</p> <p>Risk relating to service providers</p> <p>The Company has no employees and the Directors are non-executive directors. While the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance</p>
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		<p>of third party service providers for certain of its executive functions. In particular, the Asset Manager, the Investment Manager, the Administrator, the Company Secretary, the Registrar and the Valuer each perform services which are integral to the operation of the Company. Failure by any such service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.</p> <p>Risks relating to taxation and regulation</p> <p>The Group is, at the date of this document, a UK REIT group. The basis of taxation of any Shareholder's shareholding in the Company will differ or change fundamentally if the Group fails to maintain its REIT status.</p> <p>If a member of the Group disposes of a property in the course of a trade, any gain will generally be subject to corporation tax (currently at 19 per cent). For example, acquiring a property with a view to sale followed by a disposal of the asset would indicate a trading activity, whereas disposal of a property as part of a normal variation of a property rental portfolio would not indicate a trading activity. Whilst the Group does not intend to dispose of property in the course of a trade, there can be no assurance that HMRC will not scrutinise any disposals and successfully contend that any or some of them have been in the course of a trade, with the consequence that corporation tax may be payable in respect of any profits from the disposal of such property.</p> <p>A REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a holder of excessive rights (as defined in section 553 CTA 2010). This additional tax charge will not be incurred if the REIT has taken reasonable steps to avoid paying dividends to, or in respect of, a holder of excessive rights. Therefore, the Articles contain provisions designed to avoid the situation where dividends may become payable to a holder of excessive rights. These provisions provide the Directors with powers to identify holders of excessive rights and to prohibit the payment of dividends on Ordinary Shares that form part of a holding of excessive rights, unless certain conditions are met.</p> <p>The Articles also allow the Board to require the disposal of Ordinary Shares forming part of a holding of excessive rights in certain circumstances where the holder of excessive rights has failed to comply with the above provisions.</p>
D.3	Key information on key risks specific to the securities	<p>There is no guarantee that the Group will continue to maintain its REIT status (whether by reason of failure to satisfy the conditions for REIT status or otherwise). If the Group fails to remain qualified as a REIT, members of the Group may be subject to UK corporation or income tax on some or all of their property rental income and chargeable gains on the sale of properties which would reduce the amounts available to distribute to investors.</p>

		<p>If the Group were to be required to leave the REIT regime, HMRC has wide powers to direct how it would be taxed (both before and after it leaves the REIT regime), including in relation to the date on which the Group would be treated as exiting the REIT regime which could have a material impact on the financial condition of the Group and, as a result, Shareholder returns. In addition, incurring a tax liability might require the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. A Shareholder's returns may differ or change fundamentally if the Group fails or ceases to maintain its REIT status.</p> <p>The Group's capital expenditure and development activities require substantial capital outlays, which the Group finances primarily through a combination of cash flow from operations and external borrowings. Such capital expenditure and development activity is at the discretion of the Company up to the point it is contractually committed.</p> <p>Without prejudice to the working capital statement at B.11 above, if the Group has insufficient cash from operations or if debt funding were unobtainable, restricted or accessible solely on unfavourable terms, then the Group may either restrict such capital expenditure and development activities or seek additional equity funding. Raising new equity could adversely impact the Company's earnings per share and dividends per share and, if the Group were to raise equity capital, there is no guarantee it would be able to do so at the most opportune time and share price.</p> <p>The price of the Ordinary Shares and the income derived from them can go down as well as up. If the Company's assets do not grow at a rate sufficient to cover the costs of operating the Group, Shareholders may not recover the amount initially invested.</p> <p>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 per Share and prospective Net Asset Value per Share, 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 per Share and investors may not get back the full value of their investment.</p> <p>Fluctuations in the price of the Ordinary Shares could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including rental yields, variations in the Company's operating results and business developments of the Company and/or its competitors. Stock markets have experienced significant price and volume fluctuations in the past that have affected market prices for securities.</p> <p>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 investments.</p>
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Section E – Offer		
Element	Disclosure Requirement	Disclosure
E.1	Net proceeds/estimate of expenses	<p>The Net Capital Raising Proceeds will depend on the number of New Ordinary Shares issued. On the assumption that Gross Capital Raising Proceeds amount to 50 million, the costs and expenses of the Capital Raising payable by the Company will be approximately £1.7 million, resulting in Net Capital Raising Proceeds of approximately £48.3 million.</p> <p>No commission, fees or expenses will be charged by the Company to investors who acquire New Ordinary Shares through the Capital Raising.</p>
E.2a	Reasons for the issue/ use of proceeds/ estimated net amount of proceeds	<p>The Group continues to see opportunities to purchase assets at attractive yields and with the potential to secure good quality income streams which can be distributed to Shareholders through the Company's quarterly dividend programme. The Group's portfolio also offers continued potential for capital growth, which has the potential to supplement the income returns generated from the Group's assets.</p> <p>The Directors continue to see a wide range of acquisition and refurbishment opportunities which meet the Group's investment criteria, giving rise to a strong pipeline of capital deployment opportunities.</p> <p>Accordingly, the Group is seeking to raise additional finance through the Capital Raising which it will seek to deploy, together with debt finance where relevant and appropriate, in line with its investment strategy to capitalise on its pipeline of investment opportunities.</p> <p>The Capital Raising is expected to broaden the Company's investor base and enhance the size and liquidity of the Company's share capital.</p> <p>Use of proceeds</p> <p>The Company is seeking to raise approximately £50 million in Gross Capital Raising Proceeds from the Capital Raising for the purpose of investment in accordance with the Investment Policy and objective of the Company and with a view to delivering further value for Shareholders.</p> <p>The Directors intend to use the proceeds of the Capital Raising to capitalise on a pipeline of investment and risk-controlled refurbishment opportunities identified to it by the Asset Manager.</p>
E.3	Terms of and conditions to the Capital Raising	<p>New Ordinary Shares are being made available as part of the Capital Raising at the Issue Price. The Capital Raising comprises the Placing, the Open Offer, the Offer for Subscription and the Intermediaries Offer.</p> <p>There will be no priority given to applications under the Placing, Offer for Subscription, Intermediaries Offer or the Excess Application Facility pursuant to the Capital Raising.</p> <p>The Directors have reserved the right, in consultation with Peel Hunt, to increase the size of the Capital Raising to a maximum of 93,896,714 New Ordinary Shares if there is</p>

		<p>sufficient overall demand, with any such increase being notified through an RIS announcement.</p> <p>Placing</p> <p>Peel Hunt, as placing agent of the Company, will use reasonable endeavours to place New Ordinary Shares with institutional investors on behalf of the Company at the Issue Price.</p> <p>The Placing may be scaled back in order to satisfy valid applications under the Open Offer and/or the Offer for Subscription and/or the Intermediaries Offer.</p> <p>The Placing will close at 5.00 p.m. on 18 July 2019 (or such later date as the Company and Peel Hunt may agree). If the Capital Raising is extended, the revised timetable will be notified via an RIS announcement.</p> <p>Open Offer</p> <p>The Open Offer provides an opportunity for Qualifying Shareholders to participate in the fundraising by subscribing for their respective Open Offer Entitlements. The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back in favour of either the Placing, the Offer for Subscription or the Intermediaries Offer.</p> <p>Qualifying Shareholders are being given the opportunity to subscribe for New Ordinary Shares pro rata to their existing shareholdings at the Issue Price on the basis of:</p> <p>1 New Ordinary Share for every 8 Existing Ordinary Shares</p> <p>held and registered in their name at the Record Time. Qualifying Shareholders may apply for any whole number of New Ordinary Shares. Excess applications will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their pro rata entitlements.</p> <p>If there is an over-subscription resulting from excess applications, allocations in respect of such excess applications will be scaled-back at the absolute discretion of Peel Hunt, in consultation with the Board. The last time and date for acceptance and payment in full under the Open Offer is 10.00 a.m. on 18 July 2019.</p> <p>Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, the Open Offer Entitlements and Excess Open Offer Entitlements will not be tradeable or listed and applications in respect of 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. New Ordinary Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of</p>
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		<p>those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights nor receive any benefit under the Open Offer. Any New Ordinary Shares which are not applied for under the Open Offer Entitlements and Excess Open Offer Entitlements may be allocated to Placees or made available under the Offer for Subscription, the Intermediaries Offer and/or the Excess Application Facility, and the net proceeds will be retained, for the benefit of the Company.</p> <p>Any fractional entitlements to New Ordinary Shares will be rounded down in calculating entitlements to New Ordinary Shares. Fractional entitlements to New Ordinary Shares will be aggregated and will ultimately accrue for the benefit of the Company.</p> <p>Offer for Subscription</p> <p>The Offer for Subscription is being made in the United Kingdom, the Channel Islands and the Isle of Man only. Applications under the Offer for Subscription must be for shares with a minimum subscription of 1,000 New Ordinary Shares and then in multiples of 100 New Ordinary Shares thereafter. Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to Link Asset Services so as to be received by no later than 1.00 p.m. on 18 July 2019. The Offer for Subscription may be scaled back in favour of the Placing and/or the Open Offer and/or the Intermediaries Offer.</p> <p>Intermediaries Offer</p> <p>Under the Intermediaries Offer, New Ordinary Shares are being offered to Intermediaries in the United Kingdom, the Channel Islands and the Isle of Man who will facilitate the participation of their retail investor clients located in the United Kingdom, the Channel Islands and the Isle of Man. A minimum subscription of £1,000 per Underlying Applicant will apply and thereafter an Underlying Applicant may apply for further New Ordinary Shares. Completed applications from Intermediaries must be received by Peel Hunt no later than 3.00 p.m. on 18 July 2019.</p>
E.4	Interest material to the issue/conflicting interests	So far as the Directors are aware, there are no interests of the Directors that are material to the issue of the New Ordinary Shares.
E.5	Selling shareholders	There are no selling shareholders.
E.6	Dilution	Assuming Gross Capital Raising Proceeds of £50 million, Qualifying Shareholders who take up their full Open Offer Entitlements will not suffer a dilution to their interests in the Company. If the Directors exercise their right to increase the size of the Capital Raising by the full amount available to them, Qualifying Shareholders who take up their full Open Offer Entitlement will suffer a maximum dilution of approximately 10.1 per cent. to their interests in the Company.

E.7	Estimated expenses charged to the investor	Not applicable. No expenses will be charged directly to any investor by the Company. All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.
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PART 1

RISK FACTORS

Any investment in the Company or the New Ordinary Shares is subject to a number of risks. Prior to acquiring any New Ordinary Shares, prospective investors should consider carefully the factors and risks associated with any investment in the Company, the Group's business and the industry in which it operates, together with all other information contained in this document including, in particular, the risk factors described below.

*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 Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Company. 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 section D of the summary of this document but also, among other things, the risks and uncertainties described below.*

The risks and uncertainties described below represent those the Directors consider to be material as at the date of this document. The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Company and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, prospects, results of operations and financial position and, if any such risk should occur, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Company is suitable for them in the light of the information in this document and their personal circumstances.

The order in which the following risk factors are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on the Company or the Group's business, operating results, financial condition and/or prospects, or on the market price for the Ordinary Shares.

*Except as required by law or regulation, the information set out below will not be updated. Any forward-looking statements are made subject to the reservations specified under the section headed "**No profit forecast and forward-looking statements**" in paragraph 20 of Part 2 of this document.*

1. Risks Relating to the Group and the market in which it operates

1.1 The Group's performance will depend on the general economic environment and general property and investment market conditions

The Group's financial performance will be affected by variations in the macro-economic environment, as well as general conditions affecting the office and light industrial property real estate market as a whole and/or events specific to the Group's investments, such as a decrease in capital values and weakening of rental yields. While UK real estate markets have, in general, recovered in recent years following the global economic recession and credit crisis, there nevertheless remain certain downward pressures that the market may need to contend with, such as a potential rise in interest rates, political uncertainty relating to the tax regime and the availability of third party funding (which, while more available than at the height of the recession, is still scarce for certain types of investment and may be impacted further by increases in banking regulation and political uncertainty following the triggering of Article 50 of the Lisbon Treaty and the negotiation of the UK's exit from the European Union (as referred to below)).

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

The Group's ability to generate revenues from its portfolio is linked to occupancy levels, rental payments (including the timeliness thereof) and the scope for rental increases. These factors are themselves determined to varying degrees by a number of other general economic factors

outside of the Group's control, including, but not limited to: the underlying performance of the tenants that rent space in those properties, which is influenced by consumer spending and fluctuations in disposable income, the solvency of retailers, the availability of lending and consumer credit, the level of consumer indebtedness, consumer and business confidence, gross domestic product growth, infrastructure quality, financial performance and productivity of industry, levels of employment, interest rates, tax rates, business rates, government policies on spending and/or fiscal stimulus, trends in house prices, fluctuations in weather and other seasonal cycles, taxation, changes in laws and governmental regulations in relation to property (including those governing permitted and planning usage, taxes and governmental charges, health and safety and environmental compliance) and oil prices. The Group manages its properties with a focus on net income but is also mindful of protecting values and tenant mix strategies for medium and long term value creation.

Negative changes in a significant number of the Group's tenants, including actual tenant failure, could result in a substantial decrease in the Group's rental income, which would have an adverse impact on the Group's business, financial condition and/or results of operations.

Both rental income and the value of properties may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perception by prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rent because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and release space and the costs thereof, the costs of maintenance and insurance, and increased operating costs.

Any significant decline in the valuation of the Group's property portfolio would have an adverse impact on the Group's business, financial condition and/or results of operations.

1.2 ***The Company may be adversely affected by the UK's proposed exit from the European Union***

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("**Brexit**"). The extent of the impact of Brexit on the Group will depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. In addition, the macroeconomic effect of an eventual Brexit on the value of investments in the UK real estate sector and, by extension, the value of the investments in the Group's investment portfolio, is unknown. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the NAV and the market price of the Ordinary Shares. As such, it is not possible to state the impact that Brexit will have on the Group and its investments. Brexit may also make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Group. This could restrict the Group's future activities and thereby negatively affect returns.

The Group's tenants are also subject to the uncertainties caused by the UK's proposed exit from the European Union, the eventual consequences of which may impact upon tenants' ability to comply with their rental obligations causing them to breach the terms of their leases which may materially adversely affect the Group's returns.

1.3 ***Market conditions will affect the Group's ability to adjust its portfolio strategically***

While the Company is not a limited life company and is under no obligation to sell its assets within a fixed time frame, there can be no assurance that, at the time it seeks to dispose of its assets, conditions in the relevant market will be favourable or that the Group will be able to maximise the returns on such disposed assets. As property assets are relatively illiquid (see the risk factor below headed "The market for the Group's real estate investments is relatively illiquid and may result in low disposal prices or an inability to sell certain properties" for further information), such illiquidity may affect the Group's ability to adjust, dispose of, or liquidate its portfolio in a timely fashion and at satisfactory prices. To the extent that market conditions are not favourable, the Group may not be able to dispose of property assets at a gain or at all. If the Group was required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded in its accounts, which could result in a decrease in net asset value and which would, in turn, have a negative impact on the Group's financial condition and/or results of operations as well as potentially having a negative impact on its wider

business. As a result of the foregoing, there can be no assurance that the Group's property portfolio can generate attractive returns for Shareholders.

Further, in acquiring a particular property, the Group may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. In addition, in circumstances where the Group purchases properties when capitalisation rates are low and purchase prices are high, the value of properties may not increase over time. This may restrict the Group's ability to sell its properties or, in the event that it is able to sell such a property, may lead to losses on the sale.

1.4 *The Group's business is dependent on its ability to identify and manage investments which offer satisfactory returns*

When the Group raises cash by way of equity issuances or through the disposal of assets, the Group may need to make further acquisitions in order to increase rental income and earnings and to maintain its earnings and dividends on a per share basis. The Group's strategy is therefore founded upon the basis that suitable properties will be available for investment at prices and upon terms and conditions (including financing) that the Board considers favourable. There can be no assurance that the Group will find suitable properties in which to invest. The longer the period before investment, the greater the likelihood that having uninvested cash may adversely affect earnings and/or dividends per share.

1.5 *Investor returns will be dependent upon the performance of the Property Portfolio and the Company may experience fluctuations in its operating results*

Returns achieved by the Company will be reliant primarily upon the performance of the Property Portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in Ordinary Shares. The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of properties in the Property Portfolio from time to time, changes in the Group's rental income, operating expenses, occupancy rates, the degree to which the Group encounters competition and general economic and market conditions. Such variability may be reflected in dividends, may lead to volatility in the trading price of Ordinary Shares and may cause the Company's results for a particular period not to be indicative of its performance in a future period.

The Company will not be managed with any direct correlation to any property index and consequently may have returns, favourable or unfavourable, that differ from the performance of UK commercial property markets as a whole.

1.6 *The Group's success depends on attracting and retaining key personnel*

The Group's success depends, to a significant extent, on the continued services of the Asset Manager's management team, which has substantial experience in the property industry. In addition, the Group's ability to continue to identify, manage and develop properties depends on the Asset Manager's management team's knowledge of, and expertise in, the property market. The sudden and/or unanticipated loss of the services of one or more members of that management team could have an adverse effect on the Group's business, financial condition and/or results of operations.

1.7 *The Group is exposed to the effects of material business disruption or other detrimental events*

Natural disasters, terrorist attacks, power outages or other detrimental events, whether man-made or natural in origin, that prevent the Group from using all or a significant part of its offices or computer systems, or that otherwise disrupt operations, may make it difficult and, in some cases, impossible for the Group to continue to operate its business for a substantial period of time which could materially and adversely affect the Group's business, results of operations and financial performance. Whilst the Group has in place disaster recovery plans and procedures which the Directors consider to be appropriate, there can be no assurance that these will be adequate to ensure that any disruption is minimized.

2. Real Estate risks

2.1 *The valuation of the Group's property is inherently subjective and uncertain and is based on assumptions which may prove to be inaccurate*

The valuation of the Group's properties is inherently uncertain due to, amongst other things, the individual nature of each property, its location and the expected future rental revenues from that particular property and the fact that the valuation of property is inherently a subjective exercise based on a range of assumptions and estimations which require professional judgment. The Group's property portfolio has been valued by external valuers half-yearly on a fair value basis in accordance with the RICS Valuation – Professional Standards (Incorporating the International Valuation Standards) January 2014 prepared by the Royal Institution of Chartered Surveyors (the "Red Book"). In determining Market Value, the valuers are required to make certain assumptions. Such assumptions may prove to be inaccurate. Incorrect assumptions or flawed assessments underlying a valuation report could negatively affect the Group's financial condition and potentially inhibit the Group's ability to realise a sale price that reflects the stated valuation. This is particularly so in periods of volatility or when there has been limited transactional evidence against which property valuations can be benchmarked. Further, if the Group acquires properties based on inaccurate valuations, the Group's net assets and results of operations may be materially adversely affected. There can be no assurance that the valuations of the Group's current and prospective properties 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 estimated annual rental income will prove to be attainable. In addition, property valuations are dependent on the level of rental income receivable and anticipated to be receivable on that property in the future and, as such, declines in rental income could have an adverse impact on revenue and the value of the Group's properties.

2.2 *The Company may face delays in deployment of the Net Capital Raising Proceeds*

The Company has not entered into any legally binding contractual arrangements to acquire any further properties from any potential vendors (other than assets on which the Company had exchanged contracts to acquire but had not completed as at 31 May 2019, which will be funded using the Company's existing resources). There can be no assurance as to how long it will take for the Company to invest the Net Capital Raising Proceeds.

Although the Company, acting on advice from the Asset Manager, has identified a number of available properties that are consistent with its investment objective and policy (details of which are set out in paragraph 3.1 of Part 5 of this document), there can be no certainty that the Company will be able to acquire these or other properties on acceptable terms or at all.

Even where the Company, acting on advice from the Asset Manager, has identified and approved the acquisition of a property in line with its investment objective and investment policy it may encounter a number of delays before the property is finally acquired. These delays may arise as a result of, inter alia, conducting full and proper due diligence on the new property and any tenant(s), negotiating acceptable purchase contracts, proceeding to completion of the acquisition and obtaining any necessary approvals, consents and/or permits. Necessary approvals may be refused, or granted only on onerous terms, and any such refusals, or the imposition of onerous terms, may result in an investment not proceeding as originally intended and could result in significant costs associated with aborting the transaction being incurred by the Company.

In addition, the Company will also face competition from other property investors in identifying and acquiring suitable properties. Competitors may have greater financial resources than the Company and a greater ability to borrow funds to acquire properties and may have the ability or inclination to acquire real estate assets at a higher price or on terms less favourable than those the Company may be prepared to accept. Competition in the property market may also lead either to an oversupply of properties in the target market through over development or the price of existing properties being driven up through competing bids by potential purchasers.

2.3 *Due diligence may not identify all risks and liabilities in respect of an acquisition*

Prior to entering into an agreement to acquire any property, the Group will perform due diligence on the proposed investment. In doing so, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations).

To the extent that the Group or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the investment may be subject to defects in title; to environmental, structural or operational defects requiring investigation, removal or remediation; or the Group may be unable to obtain necessary permits.

If there is a due diligence failure, there may be a risk that properties are acquired that are not consistent with the Company's investment strategy, that properties are purchased for a price which exceeds their realistic value or that properties are acquired that fail to perform in accordance with projections.

2.4 *The Group may fail to complete acquisitions successfully and may incur additional liabilities as part of such acquisitions*

The successful completion of any acquisition may be impacted by various factors, including the inability to satisfy any condition(s) precedent to such acquisition. The Group may also be exposed to substantial undisclosed or unascertained liabilities embedded in properties that were incurred or arose prior to the acquisition of the properties. These liabilities may include, in cases where the Group has acquired the entity which owned the property, tax liabilities, liabilities to state entities and liabilities to existing tenants, to creditors or to other persons involved with the properties prior to the acquisition. Furthermore, there can be no assurance that the title to the properties in any acquisition will not be subject to challenge. It can be difficult in certain cases to establish beyond doubt that any such title is incapable of challenge. Any successful challenge to the validity of the Group's title to a property may have adverse consequences for its title and the Group may not be able to obtain compensation from the seller in such case.

2.5 *The Group may not be able to maintain or increase the rental rates for its properties, which may, in the longer term, have a material adverse impact on the value of the Group's properties, as well as the Group's turnover*

The value of the Property Portfolio, and the Group's turnover, will depend on the rental rates that can be achieved from the Property Portfolio. The ability of the Group to maintain or increase the rental rates for its properties generally may be adversely affected by general UK economic conditions. In addition, there may be other factors that depress rents or restrict the Group's ability to increase rental rates, including local factors relating to particular properties/locations (such as increased competition). Any failure to maintain or increase the rental rates within the Property Portfolio generally may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of Ordinary Shares and the Group's ability to meet interest and capital repayments on any debt facilities.

2.6 *The market for the Group's real estate investments is relatively illiquid and may result in low disposal prices or an inability to sell certain properties*

The Group's properties, and those in which the Group may invest in the future, are relatively illiquid in the sense that there may not be ready buyers with financing and who are willing to pay fair value at the time the Group desires to sell. In addition, in the case of leasehold properties, consents are often required from landlords to transfer such properties. Such illiquidity and/or consent requirements may affect the Group's ability to dispose of, or liquidate part of, its portfolio in a timely fashion and at satisfactory prices (or at all) in response to changes in economic, real estate market or other conditions or to finance its risk-controlled development activity. In the case of an accelerated sale, or a sale required for compliance with covenants contained in the Group's financing, or in the event of enforcement of security by a lender under one of the Group's borrowing facilities, there may be a significant shortfall between the carrying value of the property on the Group's consolidated balance sheet and the price achieved on the disposal of such property, and there can be no assurance that the price obtained from such a sale would cover the book value of the property sold.

Periods of reduced liquidity in the capital markets may also mean that it may be difficult to achieve the sale of property assets at prices reflecting the Group's property valuations. In addition, the lack of relevant transactional evidence increases the possibility of being unable to achieve successful sales of properties at acceptable prices. Failure to achieve successful sales of properties in the future at acceptable prices could have an adverse impact on the Group's business, financial condition and/or results of operations.

2.7 *The Group may be exposed to future liabilities and/or obligations with respect to the disposal of property investments*

The Group may be exposed to future liabilities and/or obligations with respect to the disposal of its property investments. The Group may be required, or may consider it prudent, to set aside provisions for warranty claims or contingent liabilities in respect of property disposals. The Group may be required to pay damages (including, but not limited to, litigation costs) to a purchaser to the extent that any representations and/or warranties that it has given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants or obligations contained in the disposal documentation. In certain circumstances, it is possible that any representations and/or warranties incorrectly given could give rise to a right by the purchaser to rescind the contract in addition to the payment of damages. Further, the Group may become involved in disputes or litigation in connection with such disposed investments. Certain obligations and liabilities associated with the ownership of investments (such as certain environmental liabilities) can also continue to exist notwithstanding any disposal. Any such claims, litigation or obligations, and any steps which the Group is required to take to meet such costs, such as sales of assets or increased borrowings, may have a material adverse effect on the Group's business, financial condition and/or results of operations.

2.8 *Real estate development may incur more cost and time than expected*

Returns from investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the repair, maintenance and management of the property, as well as upon changes in its market value. Development or redevelopment expenditure may be necessary in the future to preserve the rental income generated from and/or the value of properties, and this may affect the Group's profits and/or cashflows.

2.9 *Redevelopment, refurbishment and/or expansion potential may be adversely affected by a number of factors*

The potential for the redevelopment, refurbishment and/or expansion of properties may be adversely affected by a number of factors, including constraints on location, planning legislation and the need to obtain other licences, consents and approvals and the existence of restrictive covenants affecting the title to such property. Consequently, on some of its assets, there may not be an opportunity for the Group to carry out redevelopment or expansion or refurbishment or enhancement work, which, in each case, may have an adverse effect on the Group's business, financial condition and/or results of operations.

2.10 *The quality of tenants and occupancy levels at the Group's properties may decline over time as leases expire, having an adverse effect on the Group's business, financial condition and results of operations*

There can be no assurance that existing tenants of the Group will renew their respective leases on expiry of their existing leases and, if they do not, that new tenants of equivalent standing (or at all) will be found to take up replacement leases. This is particularly the case where a property requires refurbishment or redevelopment following the expiry of the tenancy. Tenants with the benefit of contractual break rights may also exercise these to bring the lease to an end before the contractual termination date. Furthermore, even if renewals are effected or replacement leases granted, there can be no assurance that such renewals or replacement leases will be on terms (including as to rental levels) as favourable as those which exist now or before such termination, nor that the financial strength of tenants who renew their leases or new tenants who replace them will be the same as, or equivalent to, those now existing or existing before such termination. In addition, there can be no assurance that a significant number of existing and/or future leases will not expire at the same time or within a short period of each other, either with respect to any particular property or across all or a large number of properties, thereby concentrating any such occupancy risk within a limited time period. During void periods, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. Any prolonged period of reduced occupancy could have an adverse effect on the Group's business, financial condition and/or results of operations.

2.11 *The Group's consolidated balance sheet and income statement may be significantly affected by fluctuations in the fair market value of the Group's properties as a result of revaluations*

In accordance with IAS 40, as adopted by the European Union, the Group's properties are independently revalued on a biannual basis and any increase or decrease in the value of its properties is recorded in the Group's income statement in the period during which the revaluation occurs. As a result, the Group can have significant non-cash gains and losses from period to period depending on the change in the fair value of its properties, whether or not such properties are sold, and could have difficulty maintaining its internal target balance sheet gearing ratio and other financial measures.

Any such fluctuations could have an adverse impact on the Group's business, financial condition and/or results of operations.

2.12 *The Group may be subject to environmental liabilities*

As the owner of real 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 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.

3. *Risks of leverage*

3.1 *Availability of borrowings and the gearing effect of borrowing can work against as well as for Shareholders*

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

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

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

3.2 *The Group is exposed to interest rate risk*

Where the Group has borrowed on a variable rate basis it has entered into derivative instruments to mitigate the risk of movements in interest rates. The Group's policy is that any future variable rate borrowings may also be appropriately hedged. To the extent that the relevant members of the Group do not enter into hedging arrangements, or if such arrangements are no longer available or are only available on unacceptable terms, the Group may be exposed to interest rate risk. It is the Group's target to hedge at least 90 per cent. of the total debt portfolio using interest rate derivatives and fixed rate facilities.

4. Risks relating to the Capital Raising and the Ordinary Shares

4.1 *The Capital Raising may not be approved by Shareholders*

The issue of the New Ordinary Shares pursuant to the Capital Raising is conditional, among other things, upon the passing of the Capital Raising Resolution proposed for consideration at the Extraordinary General Meeting. In the event that Shareholders do not pass the Capital Raising Resolution, the Capital Raising will not complete. In such circumstances, the Group may not be able to take advantage of some or all of the acquisition and refurbishment opportunities in its pipeline. As a result, the Company may not be able to deliver returns to Shareholders which it might have been able to had the Capital Raising proceeded and/or the Group may become more reliant on debt facilities which may have a material adverse effect on the Group's financial condition, business, prospects and results of operations and may delay or limit distributions to Shareholders and the Group's ability to take advantage of investment and/or development opportunities.

4.2 *The Ordinary Shares may trade at a discount to Net Asset Value per Share and Shareholders may be unable to realise their investments through the secondary market at Net Asset Value per Share*

The Ordinary Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and Investment Policy, an excess of supply over demand in the Ordinary Shares, and to the extent investors undervalue the advisory activities of the Asset Manager or Investment Manager, or to the extent investors discount the valuation methodology and judgements made by the Company. While the Directors may seek to mitigate any discount to Net Asset Value per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.

4.3 *There may not continue to be an active and liquid trading market for the Ordinary Shares on the London Stock Exchange*

There can be no assurance that a liquid market in the Ordinary Shares will be maintained or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value per Share. Accordingly, Shareholders may be unable to realise their investment at Net Asset Value per Share or at all.

In addition, if such a market is not maintained, relatively small transactions or intended transactions in the Ordinary Shares may have a significant negative impact on the price of the Ordinary Shares whilst transactions or intended transactions related to a significant number of Ordinary Shares may be difficult to execute at a stable price.

4.4 *There can be no assurance that the Company will be able to pay dividends in the future*

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such a target should not be considered as an assurance or guarantee that it will be met.

Notwithstanding the Company's quarterly dividend programme, the Company may not pay dividends if the Directors believe that this would cause the Company to be less than adequately capitalised or if for any other reason the Directors determine, in the exercise of their statutory duties as directors, that it would not promote the success of the Company or be in its best interests to do so. Future dividends will depend on, amongst other things, the Group's future profits, financial position, working capital requirements, macro-economic conditions and other factors that the Directors deem significant from time to time.

4.5 *Shareholders may suffer a dilution in their shareholding*

Shareholders who do not take up their Open Offer Entitlements will suffer a dilution in their shareholding and Shareholders who do take up their Open Offer Entitlements may still suffer a dilution in their shareholding depending on the quantum of the Gross Capital Raising Proceeds.

Following Admission, the Company may seek to issue new equity in the future. Pursuant to the Disapplication Resolution, the Company will have authority to issue such number of Ordinary Shares on a non-pre-emptive basis following Admission as is equal to, in aggregate, 10 per cent. of the Enlarged Issued Share Capital. In addition to the Capital Raising, any additional equity financing will be dilutive to those Shareholders who cannot, or who choose not to, participate in such financing. Further issues of new equity could have a material adverse effect on the market price of Ordinary Shares as a whole.

4.6 *Exchange rate fluctuations may impact the price of Ordinary Shares*

The Ordinary Shares are quoted in Pounds Sterling. An investment in Ordinary Shares by an investor in a jurisdiction whose principal currency is not Pounds Sterling exposes the investor to foreign currency rate risk. Any depreciation of Pounds Sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares in foreign currency terms.

4.7 *Future sales of Ordinary Shares could cause the market price of the Ordinary Shares to fall*

Sales of Ordinary Shares or interests in the Ordinary Shares by significant investors could depress the market price of the Ordinary Shares. A substantial number of Ordinary Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

4.8 *The market price of the Ordinary Shares may rise or fall*

The price of the Ordinary Shares and the income derived from them can go down as well as up. If the Company's assets do not grow at a rate sufficient to cover the costs of operating the Group, Shareholders may not recover the amount initially invested.

The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of an Ordinary Share, as well as being affected by its Net Asset Value per Share and prospective Net Asset Value per Share, 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 per Share and investors may not get back the full value of their investment.

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

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

5. *Risks relating to service providers*

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

The Company has no employees and the Directors are non-executive directors. While the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for certain of its executive functions. In particular, the Asset Manager, the Investment Manager, the Administrator, the Company Secretary, the Registrar, the Depositary and the Valuer each perform services which are integral to the operation of the Company. Failure by any such service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

The past performance of other investments managed or advised by the Asset Manager, the Investment Manager or their respective investment professionals cannot be relied upon as an indicator of the future performance of the Company. Shareholder returns will be dependent upon the Company successfully pursuing its investment objective. The success of the Company depends, inter alia, on the ability of the Asset Manager, with the assistance from the Investment Manager, to identify, acquire, refurbish, let and realise properties in accordance with the Company's investment objective. This, in turn, depends on the ability of the Asset Manager to apply its investment analysis processes in a way which is capable of identifying suitable properties for the Company to invest in. There can be no assurance that the Asset Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

5.2 *The Company is dependent on the expertise of the Asset Manager and the Investment Manager and their respective key personnel to evaluate investment opportunities and to assist in the implementation of the Company's investment objective and Investment Policy*

In accordance with the Asset Management Agreement and Investment Management Agreement, the Asset Manager is responsible for providing property management services to the Company and the Investment Manager is responsible for providing AIFM services to the Company pursuant to the AIFM Directive. Accordingly, the Company is reliant upon, and its success depends on, the Asset Manager and Investment Manager and their personnel, services and resources.

Consequently, the future ability of the Company to successfully pursue its investment objective and Investment Policy may, among other things, depend on the ability of the Asset Manager and Investment Manager to retain their respective existing staff and/or to recruit individuals of similar experience and calibre. Whilst the Asset Manager and Investment Manager have each endeavoured to ensure that the principal members of its management team are suitably incentivised, the retention of key members of the team cannot be guaranteed. Furthermore, in the event of a departure of a key employee of the Asset Manager or Investment Manager, there is no guarantee that the Asset Manager or Investment Manager (as applicable) would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company. Events impacting but not entirely within the Asset Manager's or Investment Manager's control, such as its financial performance, it being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain key personnel.

Under the terms of the Asset Management Agreement and the Investment Management Agreement, the Asset Manager and Investment Manager, respectively, are required to devote appropriate time and resources to the Company's investments. However, if the Asset Manager or Investment Manager fails to allocate the appropriate time or resources to the Company's investments, the Company may be unable to achieve its investment objective. In addition, although the Asset Management Agreement and the Investment Management Agreement require the Asset Manager and Investment Manager, respectively, to dedicate suitably qualified personnel to the Company's business or to require personnel servicing the Company's business to allocate a specific amount of time to the Company they may not be able to do so.

The Company is also subject to the risk that the Asset Management Agreement or Investment Management Agreement may be terminated and that no suitable replacement will be found. If the Asset Management Agreement or Investment Management Agreement is terminated and a suitable replacement is not secured in a timely manner or key personnel of the Asset Manager or Investment Manager (as applicable) are not available to the Company with an appropriate time commitment, the ability of the Company to execute its investment objective and Investment Policy may be adversely affected.

The obligations of the Asset Manager under the Asset Management Agreement are not guaranteed by any other person. The obligations of the Investment Manager under the Investment Management Agreement are not guaranteed by any other person.

5.3 ***The Asset Manager or its associates may have conflicts of interest***

The services of the Asset Manager, its associates and their respective officers and employees, are not exclusive to the Company. Although the Asset Manager has in place a conflicts of interest policy (which complies with the Investment Policy), in fulfilling its responsibilities to the Company, it will 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.

5.4 ***The Investment Manager or its associates may have conflicts of interest***

The services of the Investment Manager, its associates and their respective officers and employees, are not exclusive to the Company. Although the Investment Manager has in place a conflicts of interest policy (which complies with the Investment Policy), in fulfilling its responsibilities to the Company, it will 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.

5.5 ***Failure of the Investment Manager to comply with US regulatory requirements could prevent the Investment Manager from providing services to the Company***

The Investment Manager is registered as an investment adviser under the US Advisers Act. Accordingly, the Investment Manager will be required to comply with all of the provisions of the US Advisers Act and the rules thereunder that apply to registered investment advisers. If the Investment Manager fails to comply with its obligations under the US Advisers Act, the Investment Manager may be prohibited from engaging in activities relating to securities, including the fulfilment of its obligations under the Investment Management Agreement. Any interruption to the provision of investment management services to the Company could adversely impact the value of the Company's investments and compromise its ability to make new investments.

6. Risks relating to taxation and regulation

6.1 ***The Group is exposed to risks relating to its REIT status***

The Group is, at the date of this document, a group UK REIT. The basis of taxation of any Shareholder's shareholding in the Company will differ or change fundamentally if the Group fails to maintain its REIT status.

The requirements for maintaining REIT status are complex. While minor breaches of the REIT regime conditions and requirements may result only in specific additional amounts of tax being payable or will not be punished if remedied within a given period of time (provided that the regime is not breached more than a certain number of times), the Company cannot guarantee that the Group 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 Group to exit the REIT regime if:

- it regards a breach of the conditions relating to the REIT regime (including in relation to its property business) or an attempt to obtain a tax advantage as sufficiently serious;
- the Group has committed a certain number of breaches in a specified period; or
- HMRC has given the Group at least two notices in relation to the obtaining of a tax advantage 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 certain prohibited loans are breached or the Company ceases to be UK tax resident, becomes dual tax resident or becomes an open-ended investment company, or (in certain circumstances) ceases to satisfy the close company conditions or ceases to be listed or traded, the Group will automatically lose REIT status.

The Group 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 (and which does not qualify as an institutional investor under Section 528(4A) CTA 2010) or due to a breach of the close company condition if it is unable to remedy the breach within a specified timeframe. If the Group 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. This could have a material impact on the financial condition of the Company and, as a result, Shareholder returns. In addition, incurring a tax liability might require the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results.

If the Group fails to remain qualified as a REIT, its rental income (and any capital gains within the scope of UK taxation) will be subject to UK tax.

6.2 *The Group may become subject to tax charges in respect of distributions to holders of excessive rights*

A REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a holder of excessive rights (as defined in section 553 CTA 2010). This additional tax charge will not be incurred if the REIT has taken reasonable steps to avoid paying dividends to, or in respect of, a holder of excessive rights. Therefore, the Articles contain provisions designed to avoid the situation where dividends may become payable to a holder of excessive rights. These provisions provide the Directors with powers to identify holders of excessive rights and to prohibit the payment of dividends on Ordinary Shares that form part of a holding of excessive rights, unless certain conditions are met. The Articles also allow the Board to require the disposal of Ordinary Shares forming part of a holding of excessive rights in certain circumstances where the holder of excessive rights has failed to comply with the above provisions.

6.3 *The Group may become subject to tax charges associated with borrowings*

Under the UK REIT legislation, a UK tax charge will arise in the Company if, in respect of an accounting period, the Group's ratio of income profits to financing costs (in respect of its qualifying property rental business) is less than 1.25:1.

6.4 *Any changes in taxation rules could affect the value of certain tax reliefs currently afforded to the Group*

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Any change in the Company or Group's tax status or in taxation legislation in the UK or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company, or affect the Company's ability to achieve its investment objective or alter the post-tax returns to Shareholders. Changes to tax legislation could include the imposition of new taxes or increases in tax rates. In particular, an increase in the rates of stamp duty land tax could have a material impact on the price at which UK land can be sold, and therefore on asset values. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

6.5 *Any changes under Guernsey law could affect the Company's ability to be a REIT*

The Company is incorporated in Guernsey although it is managed, controlled and taxed in the UK. In order to qualify as a REIT, the Company must be tax resident in the UK and in no other jurisdiction. Failure to satisfy this condition would result in immediate expulsion from the REIT regime. An exemption has been obtained, with the effect that the Company is not tax resident in Guernsey. Any changes under Guernsey law or failure to obtain or renew its status as an exempt company for Guernsey tax purposes such that the Company is also considered tax resident in Guernsey could impact the Company's ability to satisfy the REIT conditions and consequently to remain within the REIT regime.

6.6 *Disposals of property could expose the Group to tax*

If a member of the Group disposes of a property in the course of a trade, any gain will generally be subject to corporation tax (currently at 19 per cent). For example, acquiring a property with a view to sale followed by a disposal of the asset would indicate a trading activity, whereas disposal of a property as part of a normal variation of a property rental portfolio would not indicate a trading activity. Whilst the Group does not intend to dispose of property in the course of a trade, there can be no assurance that HMRC will not scrutinise any disposals and successfully contend that any or some of them have been in the course of a trade, with the consequence that corporation tax may be payable in respect of any profits from the disposal of such property.

6.7 **FATCA rules may require US Tax withholding on certain payments**

FATCA is aimed at reducing tax evasion by US citizens.

The FATCA provisions of the US Internal Revenue Code of 1986, as amended, may impose a 30 per cent. withholding tax on payments of: (i) certain US source interest, dividends and other types of income, (ii) payments of gross proceeds from the sale or disposition of certain US assets which produce US source interest or dividends, and (iii) no sooner than two years following the date of publication of certain final regulations a portion of non-US source payments from certain non-US financial institutions to the extent attributable to US source payments, in all cases to a foreign financial institution (or “**FFI**”), unless that FFI complies with certain reporting and other related obligations under FATCA. The UK has concluded an intergovernmental agreement with the US (“**US-UK IGA**”), pursuant to which parts of FATCA have been effectively enacted into UK law. Guernsey has also concluded an intergovernmental agreement with the US (“**US-Guernsey IGA**”), pursuant to which parts of FATCA have been effectively enacted into Guernsey law.

Under the UK-US IGA, an FFI that is resident in the UK (a “**UK Reporting FI**”) is not subject to withholding under FATCA provided it complies with the terms of the US-UK IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by US holders owning, directly or indirectly, an equity or debt interest in the UK Reporting FI (other than equity and debt interests that are regularly traded on an established securities market, for which see below), and report on accounts held by certain other persons or entities to HMRC for onward reporting to the IRS. An FFI that fails to comply with the US-UK IGA will be treated as a “non-Participating FFI” and may be subject to a 30 per cent. withholding tax on certain payments to it.

The Company expects that it will be treated as a UK Reporting FI pursuant to the US-UK IGA. The Company also expects that its Ordinary Shares may, in accordance with current HMRC practice, comply with the conditions set out in the US-UK IGA to be “regularly traded on an established securities market”, such as the main market of the London Stock Exchange, meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC for FATCA purposes (although such reporting may be required for CRS purposes, as to which see below). However, there can be no assurance that the Company will be treated as a UK Reporting FI, that its Ordinary Shares will be considered to be “regularly traded on an established securities market” or that it would not in the future be subject to withholding tax under FATCA or the US-UK IGA. If the Company becomes subject to a withholding tax as a result of FATCA or the US-UK IGA, the return on investment of some or all Shareholders may be materially adversely affected.

Under the US-Guernsey IGA, an FFI that is resident in Guernsey (a “**Guernsey Reporting FI**”) is not subject to withholding under FATCA provided it complies with the terms of the US-Guernsey IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by US holders owning, directly or indirectly, an equity or debt interest in the Guernsey Reporting FI (other than equity and debt interests that are regularly traded on an established securities market, for which see below), and report on accounts held by certain other persons or entities to the Director of the Revenue Service in Guernsey for onward reporting to the IRS. An FFI that fails to comply with the US-Guernsey IGA will be treated as a “non-Participating FFI” and may be subject to a 30 per cent. withholding tax on certain payments to it.

Although the Company is not tax resident in Guernsey, the Company expects that it will be treated as a Guernsey Reporting FI pursuant to the US-Guernsey IGA, although it may not be subject to FATCA reporting obligations in Guernsey if and to the extent that it has actual knowledge that FATCA reports are made to HMRC in the UK. Under the US-Guernsey IGA and Guernsey’s implementation of that agreement, securities that are “regularly traded on an established securities market”, such as the main market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, the Ordinary Shares will be considered “regularly traded” if there is a meaningful volume of trading with respect to the Ordinary Shares on an ongoing basis. Notwithstanding the foregoing, an Ordinary Share will not be considered “regularly traded” and will be considered a financial account if the holder of the Ordinary Share (other than a financial institution acting as an intermediary) is

registered as the holder of the Ordinary Share on the Company's share register. Such Shareholders will be required to provide information to the Company to allow the Company to satisfy its obligations under FATCA, although it is expected that whilst an Ordinary Share is held in uncertificated form through CREST, the holder of that Ordinary Share will likely be a financial institution acting as an intermediary. Additionally, even if the Ordinary Shares are considered regularly traded on an established securities market, Shareholders that own their Ordinary Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under FATCA. Notwithstanding the foregoing, the relevant rules under FATCA may change and, even if the Ordinary Shares are considered regularly traded on an established securities market, Shareholders may, in the future, be required to provide information to the Company in order to allow the Company to satisfy its obligations under FATCA. There can be no assurance that the Company will be treated as a Guernsey Reporting FI, that its Ordinary Shares will be considered to be "regularly traded on an established securities market" or that it would not in the future be subject to withholding tax under FATCA or the US-Guernsey IGA. If the Company becomes subject to a withholding tax as a result of FATCA or the US-Guernsey IGA, the return on investment of some or all Shareholders may be materially adversely affected.

6.8 *Investors are subject to risks relating to PFIC status*

The Company believes that it is, and expects that it will continue to be, a passive foreign investment company (a "PFIC") for US federal income tax purposes, which could result in materially adverse consequences for US holders, including additional tax liability and tax filing obligations for shareholders that are US taxpayers. US investors may also be affected by the rules applicable to a "controlled foreign corporation" (a "CFC") for US federal income tax purposes. The CFC and PFIC rules may operate to disallow the benefits of tax deferral and to recharacterise as ordinary income certain income derived from an investment in a non-US corporation, such as the Company, that otherwise might have been characterized as capital gain for US federal income tax purposes, if any. Prospective US investors should consult their own tax advisors regarding the US federal income tax treatment of the Ordinary Shares, including the potential application to them of the PFIC and CFC rules.

6.9 *The Company has certain automatic exchange of information ("AEOI") obligations*

To the extent that the Company may be a reporting financial institution under FATCA and/or CRS (a "Financial Institution"), it may require Shareholders to provide it with certain information in order to comply with its AEOI obligations which information may be provided to the UK or Guernsey tax authorities who may in turn exchange that information with certain other jurisdictions.

Whilst the Company will seek to satisfy its AEOI obligations, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each investor and where appropriate the direct and indirect beneficial owners of the interests held in the Company. There can be no assurance that the Company will be able to satisfy such obligations.

6.10 *Distribution requirements may limit the Company's flexibility in executing its acquisition plans*

The REIT distribution requirements may limit the Company's ability to fund acquisitions and capital expenditures through retained income earnings. To maintain REIT status (and therefore full exemption from UK corporation tax and UK income tax on the profits of the Group's Property Business), the Company is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of property income distributions. As a result of this condition, the Company's ability to grow through acquisition of new assets and development of existing assets could be limited if the Company was unable to obtain debt or issue shares.

6.11 *The Company may be adversely affected by change of law, regulation and/or practice guidance in relation to AIFM Directive*

Changes to laws, regulations and practice guidance (including any ESMA guidance or recommendations) could adversely affect the Company or the Investment Manager. Regulation

of, and practice guidance relating to, entities such as the Company, and their investment managers and depositaries, is evolving and subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. Changes to the legal and regulatory regime applicable to the Investment Manager could adversely affect the Company because of the Company's reliance upon the continuing availability to it of the expertise of the Investment Manager and the likelihood that such changes would increase the on-going costs borne, directly or indirectly, by the Company by virtue of the contractual arrangements agreed between the Company and the Investment Manager. The effect of any future legal or regulatory change (including changes in practice guidance) on the Company or on the Investment Manager is not possible to predict, but could be substantial and adverse.

Changes to the AIFM Directive regime or its interpretation, or the Investment Manager becoming unable to act as the Company's AIFM, may have a material adverse effect on the Company.

As the AIFM for the Company, the Investment Manager is required to comply with on-going capital, reporting and transparency obligations and a range of organisational requirements and conduct of business rules. The Investment Manager must also, as the AIFM for the Company, adopt a range of policies and procedures addressing areas such as risk management, liquidity management, conflicts of interest, valuations, compliance, internal audit and remuneration. If the Investment Manager were to fail to comply with the legal and other regulatory requirements applicable to an authorised AIFM or otherwise cease to hold authorisation as an AIFM, the Investment Manager would not be permitted to continue to manage the Company and a successor investment manager duly authorised as an AIFM would need to be appointed to perform this function. The Company is reliant upon the investment expertise of the Investment Manager and there is no guarantee that a suitably qualified successor investment manager could be found or could be engaged on terms comparable to those applicable to the Investment Manager. Any transition to a successor investment manager could result in significant costs being incurred by the Company and material disruptions to its investment activities and operations and to the marketing of interests in the Company.

Changes to the AIFM Directive regime or new recommendations and guidance as to its implementation may impose new operating requirements and result in a change in the operating procedures of the Investment Manager and its relationship with the Company and service providers and may impose restrictions on the investment activities that the Investment Manager (and in turn the Company) may engage in. Such changes may increase the on-going costs borne, directly or indirectly, by the Company by virtue of the contractual arrangements agreed between the Company and the Investment Manager, between the Company/Investment Manager and service providers and between the Company and the Depositary.

These factors may have a material adverse effect on the Company's financial condition, business, prospects and results of operations.

PART 2

IMPORTANT INFORMATION

1. General

Prospective investors must rely only on the information contained in this document and the documents (or parts thereof) incorporated into it by reference and any supplementary prospectus produced to supplement the information contained in this document. Where only parts of a document are incorporated by reference, the parts of any such document which are not incorporated by reference are either not relevant to prospective investors, or the information contained therein is covered elsewhere in this document. No person has been authorised to issue any advertisements or to give any information or to make any representations in connection with the issue of the New Ordinary Shares, other than those contained in this document and the documents (or parts thereof) incorporated into it by reference and, if issued, given or made, such advertisement, information or representation may not be relied upon as having been authorised by or on behalf of the Company, the Directors, the officers or employees of the Company or any other person.

This document describes the Company and the Group and provides general information about the issue of the New Ordinary Shares pursuant to the Capital Raising. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this document at any time nor any purchase or sale made under this document shall, under any circumstances, create any implication that there has not been a change in the business or affairs of the Company or of the Group taken as a whole since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regime would be illegal, void or unenforceable, neither Peel Hunt nor its affiliates or representatives accept any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the issue of New Ordinary Shares. Accordingly, Peel Hunt and its affiliates and representatives disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by Peel Hunt or its affiliates or representatives as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Peel Hunt as to the past, present or future.

Peel Hunt and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company, for which they may have received fees. Peel Hunt and its affiliates may provide such services to the Company or members of the Group in the future.

In connection with the Capital Raising, Peel Hunt and any of its affiliates acting as an investor for their own account(s), may take up a portion of the New Ordinary Shares as a principal position and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account(s) in such New Ordinary Shares, any other securities of the Company or other related investments in connection with the Capital Raising or otherwise. Accordingly, references in this document to the New Ordinary Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Peel Hunt and any of its affiliates acting in such capacity as an investor for their own account(s). In addition, Peel Hunt or its affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which Peel Hunt or its affiliates may from time to time acquire, hold or dispose of New Ordinary Shares. Neither Peel Hunt nor any of its affiliates intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

None of the Company, the Directors, Peel Hunt or any of their respective affiliates or representatives, is making any representation to any prospective investor regarding the legality of an investment in the Company by any such prospective investor under the laws applicable to any such prospective investor.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, Peel Hunt or any of their respective affiliates and representatives that any recipient of this document should subscribe for or purchase Ordinary Shares. Prior to making any decision as to whether to subscribe for or purchase Ordinary Shares, prospective investors should read this document. Prospective investors should ensure that they read the whole of this document carefully and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this document, including the risks involved.

Investors who subscribe for New Ordinary Shares will be deemed to have acknowledged that (i) they have not relied on Peel Hunt or any of its affiliates or representatives in connection with any investigation of the accuracy of any information contained in this document or their investment decision and (ii) they have relied on the information contained in this document, and no person has been authorised to issue any advertisement, give any information or make any representation concerning the Group or the Ordinary Shares (other than as contained in this document) and, if issued, given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors or Peel Hunt or any of their respective affiliates or representatives.

Under the Intermediaries Offer, the New Ordinary Shares are being offered to Intermediaries who will facilitate the participation of their retail investor clients (and any member of the public who wishes to become a client of that Intermediary) located in the United Kingdom, the Channel Islands and the Isle of Man. The Company consents to the use of this document in connection with any subsequent resale or final placing of securities by financial intermediaries in the United Kingdom, the Channel Islands and the Isle of Man on the following terms: (i) in respect of the Intermediaries who have been appointed prior to the date of the document, as listed in paragraph 12 of Part 13 of this document, from the date of this document; and (ii) in respect of Intermediaries who are appointed after the date of this document, a list of which appears on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placing of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by financial intermediaries at 3.00 p.m. on 18 July 2019, unless closed prior to that date (any such prior closure to be announced via an RIS).

Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent and conditions attached thereto. Intermediaries are required to provide the terms of and conditions to the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. **Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

The Company consents to the use of this document and accepts responsibility for the information contained in this document with respect to subsequent resale or final placement of securities by any financial intermediary given consent to use this document.

Any new information with respect to financial intermediaries unknown at the time of approval of this document will be available on the Company's website.

2. Interpretation

Certain terms used in this document, including certain capitalised terms and certain technical and other terms are defined and explained in Part 14 of this document.

3. AIFM Directive

This document contains the information required to be made available to investors in the Company before they invest pursuant to the AIFM Directive and UK implementing measures (the AIFM Regulations and consequential amendments to the FCA handbook of rules and guidance) except for

details of the maximum level of leverage which the Investment Manager is entitled to employ on behalf of the Company, which are provided on the Company's website: www.regionalreit.com.

4. No incorporation of website

The content of any of the websites of the Group does not form part of this document and prospective investors should not rely on it.

5. Presentation of financial information

The Group has prepared the following historical financial information in relation to the Group, which is incorporated by reference into this document:

- audited historical financial information for the financial period ended 31 December 2016;
- audited historical financial information for the year ended 31 December 2017; and
- audited historical financial information for the year ended 31 December 2018,

in each case, prepared in accordance with IFRS. Unless otherwise indicated, the financial information presented in this document has been prepared in accordance with IFRS.

Save for the audited historical financial information for the Group for the financial period ended 31 December 2016, the year ended 31 December 2017 and the year ended 31 December 2018, none of the information in this document or incorporated by reference has been audited.

Unless otherwise indicated, all unaudited financial information contained in this document relating to the Group has been sourced, without material adjustment, from the internal accounting records of the Group, on a basis consistent with the Company's accounting policies.

The Company prepares its financial statements in accordance with IFRS.

The Group also presents key performance indicators. These include certain ratios and other measures that are derived from a combination of the Group's principal non-IFRS measures and IFRS measures. Where such amounts have been presented, a description of the amount and the measures from which it has been derived has been included. These measures may not be comparable to similarly titled measures presented by other companies in the Group's industry or otherwise. Such measures are not intended to be substitutes for any IFRS measures of performance.

6. Trade names, logos, trademarks and service marks

Any trade names, logos, trademarks and service marks of third parties appearing in this document are the property of their respective holders. Use or display by the Group of third parties' trade names, logos, trademarks or service marks is not intended to and does not imply a relationship with, or endorsement or sponsorship by the Group of, such third parties.

7. Market, economic and industry data

This document contains information regarding the Group's business and the markets in which it operates and competes, which the Company has obtained from various third party sources. Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this document, the source of such information has been identified.

Certain information on market sizes, projected growth rates and market positions set out in this document is not based on published statistical data or information obtained from independent third parties. Rather, it represents the Directors' estimates based on information available to them at the date of this document, including information obtained from trade and business organisations and other contacts within the Company's industry, as well as information published by its competitors and which, in each case, has not been independently verified. The reliance by the Directors on estimates reflects the fact that there is no single, recognised definition of the scope of the industry, the absence of publicly available information for certain participants in the industry and the absence of detailed breakdowns of information for certain participants. Trends described as industry trends may not apply across the industry due to the diversity of participants and, as such, may have a greater or lesser impact on the Group than on other participants. Please also refer to Part 1 of this document.

8. Regulatory information

The distribution of this document in jurisdictions other than the United Kingdom, the Channel Islands and the Isle of Man may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document 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 distribution of this document and the offering of New Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

9. Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: the market price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Capital Raising. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt will only procure investors (pursuant to the Placing) who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

10. Non-mainstream pooled investments status and MiFID II

As the Company is a REIT, the New Ordinary Shares will be "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the New Ordinary Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments. The Company

intends to conduct its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under MiFID II. The Directors consider that the requirements of Article 57 of the MiFID II delegated regulation of 25 April 2016 will be met in relation to the New Ordinary Shares and that, accordingly, the New Ordinary Shares should be considered “non-complex” for the purposes of MiFID II.

11. Key information document

In accordance with the PRIIPs Regulation, a key information document prepared in relation to the Ordinary Shares, including the New Ordinary Shares proposed to be issued pursuant to the Capital Raising, is available on the Company’s website: www.regionalreit.com. It is the responsibility of each distributor of New Ordinary Shares to ensure that its “retail clients” are provided with a copy of the key information document in good time before such “retail clients” subscribe for New Ordinary Shares.

The AIFM is the manufacturer of the New Ordinary Shares for the purposes of the PRIIPs Regulation and Peel Hunt is not a manufacturer for these purposes. Peel Hunt does not make any representation, express or implied, or accept any responsibility whatsoever for the contents of the key information document prepared by the AIFM in relation to the Ordinary Shares nor accepts any responsibility to update the contents of the key information document in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such key information document to future distributors of New Ordinary Shares. Peel Hunt and its affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the key information documents prepared by the AIFM.

12. For the attention of prospective investors in the European Economic Area

In relation to each Relevant Member State, no New Ordinary Shares have been offered or will be offered pursuant to the Capital Raising to the public in that Relevant Member State prior to the publication of a prospectus in relation to the New Ordinary Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of New Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New 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 New Ordinary Shares or to whom any offer is made under the Placing 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 purposes of this provision, the expression an “**offer to the public**” in relation to any offer of New Ordinary Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any New Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the New 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 and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the “**2010 PD Amending Directive**”), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

13. For the attention of prospective investors in Guernsey

The Capital Raising referred to in this document is available, and is and may be made, in or from within the Bailiwick of Guernsey, and this document is being provided in or from within the Bailiwick of Guernsey only:

- (a) by persons licensed to do so under POI Law;
- (b) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended) by non-Guernsey bodies who (a) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of GFSC, afford adequate protection to investors and (b) meet the criteria specified in section 29(1)(cc) of the POI Law;
- (c) by reverse solicitation; or
- (d) as otherwise permitted by the GFSC.

The Capital Raising and this document are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any person unless made or received in accordance with such paragraphs.

14. For the attention of prospective investors in Jersey

Subject to certain exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of New Ordinary Shares, and this document relating to the New Ordinary Shares shall not be circulated in Jersey, without first obtaining consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No such consents have been obtained by the Company. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. It must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company.

15. For the attention of prospective investors in the Isle of Man

The Capital Raising is available, and is and may be made, in or from within the Isle of Man and this document is being provided in or from within the Isle of Man only:

- (a) by an Isle of Man financial services licence holder licensed under section 7 of the Financial Services Act 2008 in order to do so; or
- (b) in accordance with any relevant exclusion contained within the Regulated Activities Order 2011 (as amended) or exemption contained in the Financial Services (Exemptions) Regulations 2011 (as amended).

The Capital Raising referred to in this document and this document are not available in or from within the Isle of Man other than in accordance with paragraphs (a) and (b) above and must not be relied upon by any person unless made or received in accordance with such paragraphs.

16. For the attention of prospective investors in the United States

Persons receiving this document may not distribute or send it in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If a person receiving this document acts for the account of persons in the United States, it undertakes not to distribute this document to any such person. In particular, investors should note that the offer, issue and sale of the New Ordinary 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. Accordingly, the New Ordinary Shares are being offered and sold outside the United States in reliance

on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder. The New Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, into or within the United States except pursuant to an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

During any period in which the Company is not subject to, and in compliance with, section 13 or 15(d) of the US Exchange Act, or it is not exempt from such reporting requirements pursuant to, and in compliance with, Rule 12g3-2(b) under the US Exchange Act, each holder of New Ordinary Shares that are restricted securities and each prospective purchaser (as designated by such holder) of New Ordinary Shares that are restricted securities, shall have the right to request from the Company any information required to be provided by Rule 144A(d)(4) under the US Securities Act.

The enforcement by investors of civil liabilities under the United States federal securities laws may be adversely affected by the fact that the Company is incorporated under the laws of Guernsey, and that none of its Directors or officers are citizens or residents of the United States. In addition, the majority of its assets and the assets of its Directors and officers are located outside the United States. As a result, it may not be possible for investors in the United States to effect service of process within the United States upon the Company or its Directors and officers located outside the United States or to enforce in the US courts or outside the United States judgements obtained against them in US courts or in courts outside the United States, including judgement predicated upon the civil liability provisions of the federal, state or local securities laws of the United States. There is doubt as to the enforceability in Guernsey or England and Wales, whether by original actions or by seeking to enforce judgments of US courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in Guernsey or England and Wales.

17. Currency presentation

All references in this document to “**Pounds Sterling**”, “**Pounds**”, “**£**”, “**pence**” or “**p**” are to the lawful currency of the United Kingdom. Unless otherwise indicated, the financial information in this document has been expressed in Pounds Sterling. The functional currency of all members of the Group is Pounds Sterling and the Group presents its financial statements in Pounds Sterling.

18. Roundings

Certain data in this document, including financial, statistical and operating information has been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. In certain instances, the sum of the numbers in a column or a row in tables contained in this document may not conform exactly to the total figure given for that column or row. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

19. Enforceability of judgments

The Company is a limited liability company registered in Guernsey, Channel Islands. All of the Directors of the Company are citizens or residents of countries other than the United States. All of the assets of such persons and the assets of the Company are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or the Company, or to enforce against them judgments of US courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. There is substantial doubt as to the enforceability in the United Kingdom in original actions or in actions for enforcement of judgments of US courts, based on the civil liability provisions of US federal securities laws.

Under the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957 as amended (the “**Judgments Law**”) a judgment of a superior court can be reciprocally enforced in Guernsey by way of registration subject to certain qualifications to registration outlined in the Judgments Law. The scope of the Judgments Law is limited to a small number of jurisdictions including the UK, Israel, Netherlands and Italy. The Royal Court may (in its discretion) recognise as a valid judgment any final and conclusive judgment obtained in a Court of a country other than those listed under the Judgments Law provided

certain conditions are met. Legal advice needs to be taken before attempting to enforce a foreign judgment in the Guernsey courts.

20. No profit forecast and forward-looking statements

No statement in this document or incorporated by reference into this document is intended as a profit forecast or profit estimate for any period and no statement in this document or incorporated by reference into this document should be interpreted to mean that the earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Company.

This document includes statements that are, or may be deemed to be, “**forward looking statements**”. These forward looking statements can be identified by the use of forward looking terminology, including the terms “**believes**”, “**projected**”, “**estimates**”, “**forecasts**”, “**plans**”, “**potential**”, “**prepares**”, “**anticipates**”, “**expects**”, “**intends**”, “**may**”, “**will**”, “**could**” or “**should**” or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters about future events and developments and with respect to future financial results as well as other statements that do not relate to historical facts and events. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Group and the Directors concerning, amongst other things, financing strategies, results of operations, financial condition, prospects and dividend policy of the Group and the markets in which it operates.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward looking statements are not guarantees of future performance and no assurance can be or is given that such future results will be achieved. The Group’s actual results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this document. Prospective investors must determine for themselves what reliance (if any) they should place on such statements, views, projections or forecasts, and no responsibility is accepted by the Company, the Asset Manager, the Investment Manager or any of their respective officers, directors, employees or Affiliates in respect thereof. In addition, even if the results of operations, financial condition and dividend policy of the Group, and the development of its financing strategies, are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to, those factors set out in Part 1 of this document.

Prospective investors are advised to read this document in its entirety for a further discussion of the factors that could affect the Group’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward looking statements in this document may not occur.

Consequently, neither the Company nor the Directors can give any assurances regarding the accuracy of the opinions set out in this document or the actual occurrence of any predicted developments.

Nothing in this paragraph 20 of Part 2 should be taken as limiting the working capital statement in paragraph 17 of Part 13 of this document.

Subject to their legal and regulatory obligations (including under the Listing Rules, Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR), the Company and Peel Hunt expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. All subsequent forward-looking statements that can be attributed either to the Company or to individuals acting on its behalf (including the Directors) are expressly qualified in their entirety by this paragraph.

21. Notice to overseas Shareholders and investors

The offer of the New Ordinary Shares will not be and has not been registered under the US Securities Act or state securities laws, and accordingly the New Ordinary Shares may not be offered, sold, transferred or delivered, directly or indirectly within the United States, except pursuant to applicable exemptions from such registration. There will be no public offer of the New Ordinary Shares in the

United States. The New Ordinary Shares are being offered or sold pursuant to this document only outside the United States in offshore transactions in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder. New Ordinary Shares will be offered in the United States only to persons reasonably believed to be qualified institutional buyers (“QIBs”) as defined in Rule 144A under the US Securities Act (“**Rule 144A**”).

None of the existing Ordinary Shares or the New Ordinary Shares have been, nor will they be, registered under the applicable securities laws of any Restricted Jurisdiction, and this document is not being made available to Shareholders with registered addresses in a Restricted Jurisdiction and may not be treated as an offer or invitation to subscribe for any New Ordinary Shares by any person resident or located in any such jurisdiction. None of the existing Ordinary Shares or the New Ordinary Shares may be offered in or into any Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. Any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document or any accompanying document into a Restricted Jurisdiction should seek appropriate advice before taking any such action. Accordingly, neither this document nor any advertisement nor any other offering material may be distributed or published in any Restricted Jurisdiction (including the United States) except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Capital Raising and Admission disclaim any responsibility or liability for the violation of such requirements by any person. This document has been prepared to comply with the requirements of English law, Guernsey law, the Listing Rules, the Prospectus Rules and the rules of the London Stock Exchange and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England.

22. London time

All references to time in this document are to London time, unless otherwise stated.

23. Advice

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) 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 Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, taxation, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in England and Wales, Guernsey and the United States and are subject to changes therein.

PART 3

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change.

	2019
Record Time for Open Offer Entitlements	6.00 p.m. on 20 June
Publication and despatch of this document, posting of the Notice of Extraordinary General Meeting and Application Forms and Capital Raising commences	24 June
Ex-Entitlements date for the Open Offer	8.00 a.m. on 24 June
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	25 June
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 12 July
Recommended latest time and date for depositing Open Offer Entitlements and Excess Open Offer Entitlements into CREST	3.00 p.m. on 15 July
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments via CREST	10.00 a.m. on 16 July
Latest time and date for splitting of Open Offer Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 16 July
Extraordinary General Meeting	10.00 a.m. on 18 July
Announcement of results of Extraordinary General Meeting	18 July
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate). Open Offer Entitlements and Excess Open Offer Entitlements disabled in CREST	11.00 a.m. on 18 July
Latest time and date for receipt of completed Subscription Forms and payment in full in respect of the Offer for Subscription	1.00 p.m. on 18 July
Latest time and date for receipt of completed applications from the Intermediaries in respect of the Intermediaries Offer	3.00 p.m. on 18 July
Latest time and date for receipt of Placing commitments	5.00 p.m. on 18 July
Results of the Capital Raising announced through a Regulatory Information Service	by 7.00 a.m. on 19 July
Admission and commencement of dealings in New Ordinary Shares	8.00 a.m. on 23 July
CREST accounts credited with uncertificated New Ordinary Shares	23 July
Where applicable, definitive share certificates despatched by post in the week commencing*	29 July

*Underlying Applicants who apply to Intermediaries for New Ordinary Shares under the Intermediaries Offer will not receive share certificates.

Notes:

- (i) CREST Shareholders should inform themselves of CREST's requirements in relation to electronic proxy appointments.
- (ii) Subject to certain restrictions relating to Shareholders with a registered address outside the United Kingdom, details of which are set out in paragraph 8 of Part 5 of this document.

The times and dates set out in the expected timetable of principal events above and mentioned throughout this document are indicative only and subject to change. If any of the times and/or dates change, the revised time and/or date will be notified to the London Stock Exchange, the FCA and through a Regulatory Information Service.

Different deadlines and procedures may apply in certain cases. For example, Shareholders who hold their Existing Ordinary Shares through a CREST member or other nominee may be set earlier deadlines by the CREST member or other nominee than the times and dates noted above.

STATISTICS RELATING TO THE CAPITAL RAISING*

Issue Price	106.5 pence per New Ordinary Share
Number of Existing Ordinary Shares in issue at the Latest Practicable Date	372,821,136
Basic entitlement under the Open Offer	1 Open Offer Share for every 8 Existing Ordinary Shares
Target number of New Ordinary Shares to be issued pursuant to the Capital Raising ¹	46,948,357
Number of Ordinary Shares in issue upon Admission ¹	419,769,493
Gross Capital Raising Proceeds	£50 million
Estimated net proceeds of the Capital Raising receivable by the Company after expenses ²	£48.3 million
Estimated expenses of the Capital Raising ³	£1.7 million
ISIN of the Existing Ordinary Shares (and the New Ordinary Shares to be admitted to trading following the Capital Raising)	GG00BYV2ZQ34
ISIN of the Open Offer Entitlement	GG00BK8LQN98
ISIN of the Excess Open Offer Entitlement	GG00BK8LV233
SEDOL – Existing Ordinary Shares (and the New Ordinary Shares to be admitted to trading following the Capital Raising)	BYV2ZQ3
SEDOL – Open Offer Entitlement	BK8LQN9
SEDOL – Excess Open Offer Entitlement	BK8LV23

* Should the Directors make use of their ability to increase the size of the Capital Raising, the Company will announce the total number of shares by which the Capital Raising has been increased via a RIS announcement prior to Admission.

1 On the assumption that the total number of New Ordinary Shares issued under the Capital Raising is 46,948,357 and no other Ordinary Shares are issued from the Last Practicable Date until Admission. The actual number of New Ordinary Shares to be issued under the Capital Raising is not known as at the date of this document but will be notified through an RIS announcement prior to Admission. The Directors have reserved the right, following consultation with Peel Hunt, to increase the size of the Capital Raising to a maximum of 93,896,714 New Ordinary Shares if overall demand exceeds 46,948,357 New Ordinary Shares, with any such increase being notified through an RIS announcement.

2 Assumes Gross Capital Raising Proceeds of £50 million.

3 Assumes Gross Capital Raising Proceeds of £50 million.

PART 4

DIRECTORS, REGISTERED OFFICE, SECRETARY AND ADVISERS

Directors	Kevin McGrath William Eason Daniel Taylor Stephen Inglis Frances Daley Tim Bee
Administrator and Designated Administrator	Jupiter Fund Services Limited Mont Crevelt House Bulwer Avenue St. Sampson Guernsey GY2 4LH
Sub-Administrator	Link Alternative Fund Administrators Limited Beaufort House 51 New North Road Exeter Devon EX4 4EP
Company Secretary	Link Company Matters Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Registered Office	Mont Crevelt House Bulwer Avenue St. Sampson Guernsey GY2 4LH
Asset Manager	London & Scottish Property Investment Management Limited Venlaw 349 Bath Street Glasgow Scotland G2 4AA
Investment Manager	Toscafund Asset Management LLP 7th Floor 90 Long Acre London WC2E 9RA
Sponsor, Broker, Bookrunner and Intermediaries Offer Adviser	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Legal advisers to the Company as to English law	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT

Legal advisers to the Company as to Guernsey law	Carey Olsen (Guernsey) LLP Carey House Les Banques St Peter Port Guernsey GY1 4BZ
Legal advisers to the Company as to US law	Nixon Peabody LLP 55 West 46th Street New York NY 10036-4120
Legal advisers to Peel Hunt as to English law	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Legal advisers to Peel Hunt as to US law	Proskauer Rose (UK) LLP 110 Bishopsgate London EC2N 4AY
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Reporting Accountant	RSM Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
Registrar	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
Receiving Agent	Link Asset Services, Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Depository	Estera Depository Company (UK) Limited Innovation Centre Northern Ireland Science Park Queens Road Belfast County Antrim BT3 9DT
Principal Banker	The Royal Bank of Scotland International 1 Glatigny Esplanade St Peter Port Guernsey GY1 4BQ

Valuer of the Property Portfolio

DTZ Debenham Tie Leung Limited
(trading as Cushman & Wakefield)
125 Old Broad Street
London
EC2N 1AR

PR Adviser to the Company

Buchanan Communications Limited
107 Cheapside
London
EC2V 6DN

PART 5

LETTER FROM THE CHAIRMAN

Directors:

Kevin McGrath
William Eason
Daniel Taylor
Frances Daley
Stephen Inglis
Tim Bee

Registered office:

Mont Crevelt House
Bulwer Avenue
St. Sampson
Guernsey
GY2 4LH

24 June 2019

Dear Shareholder,

Proposed Capital Raising

1. Introduction to the Capital Raising

The Board of Regional REIT Limited announced on 24 June 2019 that it intends to raise approximately £50 million (before expenses) by way of the Capital Raising. The Board has the ability to increase the size of the Capital Raising to up to 93,896,714 New Ordinary Shares should there be sufficient demand.

The Capital Raising is not underwritten. The Placing may be scaled back in order to satisfy valid applications under the Open Offer and/or the Offer for Subscription and/or the Intermediaries Offer, the Offer for Subscription may be scaled back in favour of the Placing and/or the Open Offer and/or the Intermediaries Offer and the Intermediaries Offer may be scaled back in favour of the Placing and/or the Open Offer and/or the Offer for Subscription.

I am writing to give you further details of the Capital Raising, to explain why the Board considers the Capital Raising to be in the best interests of the Company and the Shareholders as a whole, to explain the related party elements of the transaction and to seek your approval of the Resolutions to be proposed at the Extraordinary General Meeting.

2. Background to, and reasons for, the Capital Raising

2.1 Background and summary information on Group

The Company is an established UK real estate investor, asset manager and developer which is listed on the premium listing segment of the Official List of the FCA and is admitted to trading on the London Stock Exchange's Main Market for listed securities. The Company is managed by the Asset Manager and the Investment Manager and was formed from the combination of property funds previously created by the Managers. The Company's commercial property portfolio is located wholly in the UK and comprises, predominantly, quality offices and industrial units located in the regional centres of the UK outside of the M25 motorway. The portfolio is highly diversified, with 149 properties, 1,184 individual units and 835 tenants as at the date of this document, with a valuation of £721.2 million as at 14 June 2019.

The Company pursues its investment objective by investing in, actively managing and disposing of regional property assets. The Group offers investors a highly differentiated play on the recovery prospects of UK regional property. The Company aims to deliver an attractive return to its Shareholders, targeting a Total Shareholder Return* of at least 10 per cent. per annum, with a strong focus on income and good capital growth prospects.

2.2 Reasons for the Capital Raising

The Group continues to see opportunities to purchase assets at attractive yields and with the potential to secure good quality income streams which can be distributed to Shareholders through the Company's quarterly dividend programme. The Group's portfolio also offers

*This is a target only and not a profit forecast. There can be no assurance that this target can or will be met and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on this target in deciding whether to invest in the New Ordinary Shares. In addition, prior to making any investment decision, prospective investors should carefully consider the risk factors described in Part 1 of this document.

continued potential for capital growth, which has the potential to supplement the income returns generated from the Group's assets.

The Directors continue to see a wide range of acquisition and refurbishment opportunities which meet the Group's acquisition and investment criteria, giving rise to a strong pipeline of capital deployment opportunities.

Accordingly, the Group is seeking to raise additional finance through the Capital Raising which it will seek to deploy, together with debt finance where relevant and appropriate, in line with its investment strategy, and to put the Group in a position of strength when seeking to capitalise on the Pipeline Investments (as defined below).

The Capital Raising is expected to broaden the Company's investor base and enhance the size and liquidity of the Company's share capital.

3. Use of proceeds

The Company is seeking to raise Gross Capital Raising Proceeds of approximately £50 million from the Capital Raising. The Directors intend to use the proceeds of the Capital Raising to capitalise on the Pipeline Investments.

3.1 The Pipeline Investments

The Asset Manager, on behalf of the Company, has identified a significant pipeline of assets (in excess of £500 million) which meet the Company's investment objective and policy, and could, it believes, be acquired in a relatively short time frame (the "**Pipeline Investments**"). The vast majority of these additional assets have been sourced off-market through the Asset Manager's extensive contacts and relationships.

As at the date of this document, the Asset Manager has commenced negotiations and discussions concerning the acquisition of such assets on behalf of the Company, and has entered into an exclusivity agreement in relation to the acquisition of a portfolio of six office assets (the "**Target Assets**"). The Target Assets are expected to be earnings accretive and to enhance the Property Portfolio characteristics. The potential acquisition of the Target Assets remains subject to ongoing due diligence by the Asset Manager and the Company's other professional advisers and, although there can be no assurance that the Target Assets will be purchased by the Company, these negotiations are at an advanced stage.

As highlighted above, in addition to the acquisition of the Target Assets, the Company is currently seeing a number of other potential investment opportunities. These other assets offer the Company additional investment opportunities if acceptable terms can be agreed with the vendors. The Directors may or may not accept any or all of these assets, or other assets, as being suitable for the Company and may or may not pursue any such opportunities.

4. Effects of the Capital Raising

4.1 Financial effects

Upon Admission, assuming Gross Capital Raising Proceeds of £50 million, the Enlarged Issued Share Capital of the Company will be 419,769,493 Ordinary Shares. This includes 372,821,136 Existing Ordinary Shares, and up to 46,948,357 New Ordinary Shares proposed to be issued pursuant to the Placing, Open Offer, Offer for Subscription and Intermediaries Offer. On this basis, the Open Offer Shares will represent approximately 11 per cent. of the Enlarged Issued Share Capital (assuming full take-up of the Open Offer).

Following the issue of New Ordinary Shares proposed to be allotted and issued pursuant to the Capital Raising, Qualifying Shareholders who take up their full Open Offer Entitlements will not suffer a dilution to their interests in the Company (assuming Gross Capital Raising Proceeds of £50 million). If the Directors exercise their right to increase the size of the Capital Raising by the full amount available to them, Qualifying Shareholders who take up their full Open Offer Entitlements will suffer a maximum dilution of approximately 10.1 per cent. to their interests in the Company.

Qualifying Shareholders who do not take up any offer of their Open Offer Entitlements will suffer a dilution of 11.2 per cent. to their interests in the Company (again, assuming Gross Capital Raising Proceeds of £50 million).

The percentage of the Company's issued share capital that the Existing Ordinary Shares represent will be reduced by 11.2 per cent. to 88.8 per cent. as a result of the Capital Raising (again, assuming Gross Capital Raising Proceeds of £50 million).

5. Key terms of the Capital Raising

The Company is proposing to raise Gross Capital Raising Proceeds of approximately £50 million (Net Capital Raising Proceeds of approximately £48.3 million) by way of the Placing, Open Offer, Offer for Subscription and Intermediaries Offer of up to 46,948,357 New Ordinary Shares, representing, in aggregate, 11.2 per cent. of the Enlarged Issued Share Capital, at an Issue Price, in each case, of 106.5 pence per New Ordinary Share.

The Issue Price represents a discount of 1.8 per cent. to the Closing Price of 108.4 pence. The Issue Price has been set by the Directors following their assessment of market conditions and following discussion with a number of institutional investors. The Directors are in agreement that the level of discount and method of issue are appropriate to secure the investment sought.

Should the Directors make use of the ability to increase the size of the Capital Raising, the Company will announce the total number of New Ordinary Shares by which the Capital Raising has been increased in an announcement to a Regulatory Information Service prior to Admission.

The Capital Raising is not underwritten. The Placing may be scaled back in order to satisfy valid applications under the Open Offer and/or the Offer for Subscription and/or the Intermediaries Offer, and the Offer for Subscription may be scaled back in favour of the Placing and/or Open Offer and/or the Intermediaries Offer. The Intermediaries Offer may be scaled back in order to satisfy valid applications under the Open Offer and/or the Placing and/or the Offer for Subscription.

The Directors have the discretion to scale back the Placing and/or the Offer for Subscription and/or the Intermediaries Offer in favour of the Open Offer by reallocating New Ordinary Shares that would otherwise be available under the Placing and/or the Offer for Subscription and/or the Intermediaries Offer to be available to Qualifying Shareholders through the Excess Application Facility under the Open Offer. Any New Ordinary Shares that are not taken up under the Open Offer will be reallocated to the Placing and/or the Offer for Subscription and/or the Intermediaries Offer and be available thereunder.

The Directors have the discretion to determine the basis of allotment between Qualifying Shareholders under the Excess Application Facility and any scaling back of or reallocation of the Placing and/or Offer for Subscription and/or Intermediaries Offer. In exercising this discretion, the Directors generally intend to give priority to existing Shareholders over prospective new Shareholders, although the Directors will seek to balance the benefits to the Company of allowing existing Shareholders to maintain or increase the size of their relative shareholdings with expanding the Shareholder base of the Company.

The principal terms of the Placing Agreement are summarised in paragraph 11.1 of Part 13 of this document.

The Capital Raising is conditional (*inter alia*) upon the following:

- the Capital Raising Resolution being passed by the Shareholders at the Extraordinary General Meeting (without material amendment);
- the Placing Agreement becoming unconditional in all respects (save for the condition therein relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by not later than 8.00 a.m. on 23 July 2019 (or such later time and/or date as the parties to the Placing Agreement may agree, being not later than 8.00 a.m. on 9 August 2019).

The Placing Agreement is also capable of termination at any time prior to Admission in certain circumstances.

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, or if the Placing Agreement is terminated in accordance with its terms prior to Admission, the Capital Raising will not proceed and any Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will thereafter be disabled and application monies will be returned (at the applicants' risk) without interest as soon as possible.

Application will be made for the New Ordinary Shares to be admitted to listing on the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence at 8.00 a.m. on 23 July 2019.

The New Ordinary Shares (assuming Gross Capital Raising Proceeds of £50 million) will, in aggregate, represent approximately 11.2 per cent. of the Company's issued Ordinary Shares following Admission.

Priority will be given to the Open Offer but there will be no priority given to applications under the Placing, Offer for Subscription or Intermediaries Offer.

5.1 **Placing**

Peel Hunt, as placing agent of the Company, will use reasonable endeavours to place the Placing Shares with institutional (and certain other) investors at the Issue Price. The number of Placing Shares issued may be scaled back to satisfy valid applications by Qualifying Shareholders under the Open Offer and/or applications for New Ordinary Shares under the Offer for Subscription and/or the Intermediaries Offer. Subject to the satisfaction or, where applicable, waiver of the conditions and the Placing Agreement not having been terminated in accordance with its terms, any Open Offer Shares not subscribed for under the Open Offer may be allocated to Placees or anyone agreeing to subscribe for New Ordinary Shares under the Offer for Subscription and/or the Intermediaries Offer, with the net proceeds of the Placing being retained by the Company.

The Placing may be scaled back at the Directors' discretion (in consultation with Peel Hunt) in order to satisfy valid applications under the Open Offer by allocating New Ordinary Shares that could otherwise be available under the Placing to be available to Qualifying Shareholders through the Excess Application Facility.

5.2 **Open Offer**

5.2.1 *Open Offer Entitlements*

Qualifying Shareholders have the opportunity under the Open Offer to subscribe for New Ordinary Shares at the Issue Price, payable in full on application and free of expenses, pro rata to their existing shareholdings, on the following basis:

1 New Ordinary Share for every 8 Existing Ordinary Shares

held by them and registered in their names at the Record Time. Fractions of Ordinary Shares will not be allotted and each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. Fractional entitlements to New Ordinary Shares will be aggregated and will ultimately accrue for the benefit of the Company.

The Directors fully recognise the importance of pre-emption rights to Shareholders and consequently 46,602,642 New Ordinary Shares are being offered to existing shareholders by way of the Open Offer. The Directors consider this appropriate and in the best interests of Shareholders.

Any New Ordinary Shares not taken up pursuant to the Open Offer will be made available under the Excess Application Facility, the Placing, the Offer for Subscription and/or the Intermediaries Offer. There will be no priority given to applications under the Placing, the Offer for Subscription, the Intermediaries Offer or the Excess Application Facility pursuant to the Capital Raising.

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their maximum entitlement which, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown in Box 7 on their 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. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 25 June 2019. Qualifying Shareholders are also being offered the opportunity to subscribe for Excess Shares in excess of their Open Offer Entitlements pursuant to the Excess Application Facility as described below.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their entitlements under the Open Offer, as will Qualifying Shareholders with holdings under different designations or in different accounts.

5.2.2 *Excess Application Facility*

Qualifying Shareholders may apply to subscribe for Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply to subscribe for Excess Shares may do so by completing the relevant sections on the Open Offer Application Form. Qualifying CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlements will have Excess Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 2.5 of Appendix A of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

The Excess Application Facility will comprise Open Offer Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements. Qualifying Shareholders' applications for Excess Shares will, therefore, be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are made for less than their pro rata Open Offer Entitlements. If there is an over-subscription resulting from excess applications, allocations in respect of such excess applications will be scaled-back at the absolute discretion of Peel Hunt in consultation with the Board, who will have regard to the pro rata number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. No assurances can therefore be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Application has been made for the Open Offer Entitlements (in respect of Qualifying CREST Shareholders) to be admitted to CREST. It is expected that such Open Offer Entitlements will be admitted to CREST as soon as possible on 25 June 2019. The Open Offer Entitlements will also be enabled for settlement in CREST as soon as possible on 25 June 2019. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim.

The last time and date for application under the Open Offer is 11.00 a.m. on 18 July 2019. After that time, Open Offer Entitlements admitted to CREST will be disabled.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Appendix A of this document and, where relevant, in the Open Offer Application Form.

If Admission does not take place on or before 9 August 2019 (being the long-stop date for the Capital Raising), the Open Offer will lapse and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest as soon as practicable thereafter.

Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, the Open Offer Entitlements and Excess Open Offer Entitlements will not be tradeable or

listed and applications in respect of 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. New Ordinary Shares for which application has not been made 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 their entitlements will have no rights nor receive any benefit under the Open Offer. Any New Ordinary Shares which are not applied for under the Open Offer Entitlements and Excess Open Offer Entitlements may be allocated to Placees or made available under the Offer for Subscription, the Intermediaries Offer and/or the Excess Application Facility, and the net proceeds will be retained, for the benefit of the Company.

5.3 ***Offer for Subscription***

New Ordinary Shares are also available under the Offer for Subscription at the Issue Price. Further information on the Offer for Subscription and the terms of and conditions to the Offer for Subscription, including the procedure for application and payment, are set out in Appendix C of this document and, where relevant, in the Subscription Form.

The Offer for Subscription may be scaled back at the Directors' discretion (in consultation with Peel Hunt) to increase the size of the Open Offer by allocating New Ordinary Shares that could otherwise be available under the Offer for Subscription to be available to Qualifying Shareholders through the Excess Application Facility. The Offer for Subscription may also be scaled back at the Directors' discretion (in consultation with Peel Hunt) in favour of the Placing and/or the Intermediaries Offer.

Completed Subscription Forms accompanied either by a cheque or banker's draft or appropriate delivery versus payment ("DVP") instructions in relation to the Offer for Subscription must be posted or delivered by hand (during normal business hours only) to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received as soon as possible and, in any event, no later than 1.00 p.m. on 18 July 2019.

Commitments under the Offer for Subscription, once made, may not be withdrawn without consent of the Directors.

5.4 ***Intermediaries Offer***

Investors may also subscribe for New Ordinary Shares at the Issue Price pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom, the Channel Islands and the Isle of Man are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries to be accepted as their client.

No New Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands or the Isle of Man. A minimum subscription of £1,000 per Underlying Applicant will apply and thereafter an Underlying Applicant may apply for further New Ordinary Shares. Allocations to Intermediaries will be determined solely by the Company (following consultation with Peel Hunt).

An application for New Ordinary Shares in the Intermediaries Offer means that the Underlying Applicant agrees to acquire the New Ordinary Shares applied for at the Issue Price. Each Underlying Applicant must comply with the appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for New Ordinary Shares. Where an application is not accepted or there are insufficient New Ordinary 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 shall be made without interest. The Company, the Asset Manager, the Investment Manager and Peel Hunt accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, inter alia, the conduct of the Intermediaries Offer on market standard

terms and provide for the payment of a commission and/or fee (to the extent permissible by the rules of the FCA) to Intermediaries from the Intermediaries Offer Adviser acting on behalf of the Company if such Intermediary elects to receive a commission and/or fee. Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, subject to the terms of 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 any of the Company, the Investment Manager, the Asset Manager or the Intermediaries Offer Adviser. Any liability relating to such documents shall be for the relevant Intermediaries only.

The Intermediaries Terms and Conditions provide for the Intermediaries to have an option (where the payment of such commission and/or fee is not prohibited) to be paid a commission and/or fee by the Intermediaries Offer Adviser (acting on behalf of the Company) where it has elected to receive such commission and/or fee in respect of the New Ordinary Shares allocated to and paid for by them pursuant to the Intermediaries Offer.

6. Current trading and prospects

On 11 April 2019, the Company released its 2018 Annual Report for the year ended 31 December 2018. On 23 May 2019 the Company released its trading update for the first quarter of 2019.

A summary of the key financial and operational highlights from those reports is set out below:

6.1 Summary of key financial and operational highlights

6.1.1 Financial highlights

In the period to 31 December 2018, the value of the gross investment property portfolio was £718.4 million, down from £737.3 million in the period to 31 December 2017. As at 14 June 2019, the value of the gross investment property portfolio was £721.2 million.

Gross bank borrowings rose from £376.5 million for the year ended 31 December 2017, to £380.3 million for the year ended 31 December 2018. The overall cost of bank debt in the period was 3.8 per cent. per annum (3.5 per cent. excluding the Regional REIT ZDP plc shares). As at 14 June 2019, the overall cost of bank debt was 3.5 per cent. per annum.

The audited fully diluted EPRA NAV for the year ended 31 December 2018 was 115.5 pence per Ordinary Share, up from 105.9 pence per Ordinary Share for the year ended 31 December 2017. Dividends declared for the period ended 31 December 2018 amounted to 8.05 pence per Ordinary Share, which represented an increase of 3 per cent. from the year ended 31 December 2017.

6.1.2 Operational highlights

In the period to 31 December 2018, occupancy (by value) was 87.3 per cent., up from 85 per cent. for the year ended 31 December 2017. Occupancy by area was at 85.5 per cent., up from 84.3 per cent. for the year ended 31 December 2017.

Office real estate amounted to 76.1 per cent. (by value) of the Property Portfolio for the period ended 31 December 2018, while industrial real estate amounted to 15.5 per cent. of the Property Portfolio. Retail and other real estate sectors remain non-core to the Group, amounting to 8.5 per cent. of the Property Portfolio.

As at 31 December 2018, the largest single tenant represented 2.7 per cent. of gross rental income, while the largest property represented 4.6 per cent. of the Property Portfolio.

Since 2015 Admission, the Company has achieved total shareholder return of 38.7 per cent., at an annualised rate of 10.6 per cent.

6.2 The following events have occurred since 31 December 2018:

- 6.2.1 on 10 January 2019, Regional REIT ZDP plc repaid approximately £39.9 million to the holders of the 6.5 per cent. ZDP shares for their final capital entitlement, which matured on 9 January 2019;
- 6.2.2 on 4 February 2019, the Company completed its acquisition of Norfolk House, Smallbrook Queensway, Birmingham, for a consideration of £20m with a net initial yield of 7.92 per cent., in an off market transaction;
- 6.2.3 on 21 February 2019, the Company declared its final dividend in respect of the period from 1 January to 31 December 2018 of 2.50 pence per Ordinary Share;
- 6.2.4 on 23 May 2019, the Company declared its first quarterly dividend in respect of the period from 1 January 2019 to 31 March 2019 of 1.90 pence per Ordinary Share;
- 6.2.5 on 10 June 2019, the Company disposed of the office building known as Aspect Court, Pond Hill, Sheffield to Sheffield Hallam University for £8.8 million;
- 6.2.6 on 14 June 2019, the Company disposed of Tokenspire Business Park in Beverley for £11.1 million;
- 6.2.7 on 18 June 2019, Toscafund Glasgow Limited's facility with Santander UK was increased to £66 million and the term extended to 18 June 2029; and
- 6.2.8 on 19 June 2019, RR UK (South) Limited's facility with The Royal Bank of Scotland was increased to £55 million and the term extended to 19 June 2024.

6.3 ***Future prospects***

In the first quarter of 2019, the Group continued to trade well in a market where demand for its assets remained strong and the potential deal pipeline was healthy and diverse. The Group continues to trade in line with the Directors' expectations for the year and the Directors remain confident as to the Group's ability to return to a fully covered dividend once the proceeds of the Capital Raising are fully invested, which is expected to be during 2019. This is underpinned by the Group's active asset management which is achieving good results with both recent acquisitions and the established portfolio.

While the Board is aware of general economic caution in light of uncertainty over the negotiations in respect of the UK's decision to exit the European Union and the potential for rises in inflation and interest rates, it believes that the Group is well placed to meet the challenges that could arise in this environment. The Group owns a sizeable portfolio with critical mass. It is cash generative with an occupier base representing some of the strongest covenants in the UK office and light industrial sectors. The Board therefore remains optimistic in its outlook for the Company.

7. **Dividend entitlement**

At the time of 2015 Admission, the Company stated that it would assemble a property portfolio supporting a target dividend between seven to eight pence per annum at 100 pence per Existing Ordinary Share.

As a REIT, the Company is required to distribute at least 90 per cent. of the profits from its property rental business as dividends.

Currently, the Company pays dividends on a quarterly basis with dividends declared in or around February, May, August and November in each year and paid as soon as practicable thereafter.

With the exception of the dividend declared on 23 May 2019, which is expected to be paid on 12 July 2019, the Board has declared and paid the following dividends totalling 24.55 pence per Ordinary Share in respect of the period from 2015 Admission to the Latest Practicable Date:

<i>Year</i>	<i>Declaration Date</i>	<i>Amount per Ordinary Share</i>
2015		
Q4 (pursuant to 2015 Admission on 6 November 2015)	7 March 2016	1.00 pence
2016		
Q1	27 May 2016	1.75 pence
Q2	1 September 2016	1.75 pence
Q3	17 November 2016	1.75 pence
Q4	23 February 2017	2.40 pence
2017		
Q1	25 May 2017	1.80 pence
Q2	31 August 2017	1.80 pence
Q3	14 November 2017	1.80 pence
Q4	22 February 2018	2.45 pence
2018		
Q1	17 May 2018	1.85 pence
Q2	31 August 2018	1.85 pence
Q3	15 November 2018	1.85 pence
Q4	21 February 2019	2.50 pence
2019		
Q1	23 May 2019	1.90 pence

The dividend of 1.90 pence per Ordinary Share for the period from 1 January 2019 to 31 March 2019 is payable on 12 July 2019 to Shareholders on the register on 1 June 2019.

The next dividend is expected to be declared in August 2019 and paid in October 2019 (the “**2019 Q2 Dividend**”). The Board’s current intention is to pay an amount of approximately 1.90 pence per Ordinary Share in relation to the 2019 Q2 Dividend.

The New Ordinary Shares issued in connection with the Capital Raising will rank, from Admission, *pari passu* in all respects with the Existing Ordinary Shares and will have the right to receive all dividends and distributions declared in respect of issued Ordinary Share capital of the Company after Admission, including the 2019 Q2 Dividend.

The Company intends to pursue a progressive dividend policy and its quarterly dividends provide a source of regular income for Shareholders, thus improving their cashflow return profile. The annual dividend target for the year ended 31 December 2019 is 8.25 pence per Ordinary Share.*

The level of future dividends will be determined by the Board having regard to, among other things, the financial position and performance of the Group at the relevant time, UK REIT requirements and the interests of Shareholders, as a whole.

8 Overseas Shareholders

8.1 The United States

This document and accompanying documents are not being made available to persons located inside the US except for persons reasonably believed to be QIBs. Persons located inside the US who receive this document are prohibited from redistributing this document to any person other than their advisors subject to an obligation of confidentiality in connection with such US private placement. The offer and sale of the New Ordinary Shares will not be and have not been registered under the US Securities Act or state securities laws, and accordingly the New Ordinary

*This is a target only and not a profit forecast. There can be no assurance that this target can or will be met and it should not be seen as an indication of the Company’s expected or actual results or returns. Accordingly, investors should not place any reliance on this target in deciding whether to invest in the New Ordinary Shares. In addition, prior to making any investment decision, prospective investors should carefully consider the risk factors described in Part 1 of this document.

Shares may not be offered or sold within the United States, except pursuant to applicable exemptions from such registration. There will be no public offer of the New Ordinary Shares in the United States. The New Ordinary Shares are being offered or sold outside the United States in offshore transactions in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder.

8.2 **Other jurisdictions**

This document and any accompanying documents are not being made available to Overseas Shareholders with registered addresses in any Restricted Jurisdiction and may not be treated as an invitation to subscribe for any New Ordinary Shares by any person resident or located in such jurisdictions or any other Restricted Jurisdiction.

The New Ordinary Shares have not been, and will not be, registered under the applicable securities laws of any Restricted Jurisdiction. Accordingly, the New Ordinary Shares may not be offered, sold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction to or for the account or benefit of any national, resident or citizen of any Restricted Jurisdiction.

This document has been prepared to comply with English law, Guernsey law, the Prospectus Rules, the Listing Rules and MAR, and the information disclosed may not be the same as that which could have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

9. **Settlement and listing of, and dealings in, the New Ordinary Shares**

The results of the Capital Raising are expected to be announced on 19 July 2019. The New Ordinary Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares including in respect of any dividends or distributions declared in respect of the New Ordinary Shares following Admission. The New Ordinary Shares will be created under the Companies Law and the legislation made thereunder, will be issued in registered form and will be capable of being held in both certificated and uncertificated form.

Applications will be made to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares will commence on the London Stock Exchange by 8.00 a.m. on 23 July 2019.

The Existing Ordinary Shares are already admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities and to CREST. It is expected that all of the New Ordinary Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. The New Ordinary Shares will trade under ISIN GG00BYV2ZQ34. The ISIN for the Open Offer Entitlements is GG00BK8LQN98 and the ISIN for the Excess Open Offer Entitlements is GG00BK8LV233.

10. **Further information and risk factors**

Your attention is drawn to the further information set out in this document. In particular, your attention is drawn to the section entitled "**Risk Factors**". You are advised to read the whole of this document and the documents incorporated by reference in Section A of Part 10 of this document and not to rely solely on the information contained in this letter, before deciding the action to take in respect of the Extraordinary General Meeting.

11. **Extraordinary General Meeting**

The Capital Raising is subject to a number of conditions, including Shareholders' approval to disapply pre-emption rights pursuant to the Capital Raising Resolution, as such rights are set out in the Articles.

If the Capital Raising Resolution is not approved at the Extraordinary General Meeting, the Company will be unable to complete the Capital Raising. A notice convening the Extraordinary General Meeting to be held at 10.00 a.m. on 18 July 2019 is set out in Part 15 of this document.

11.1 **Capital Raising Resolution**

The Capital Raising Resolution grants the Directors authority to allot equity securities for cash, at a price below the Net Asset Value per Share for the purposes of Listing Rule 15.4.11, pursuant to the authority conferred on them pursuant to Article 4.1 of the Articles, as if Article 5.2 of the Articles did not apply.

While Article 5 of the Articles confers on Shareholders rights of pre-emption on the allotment of equity securities for cash, the Capital Raising Resolution seeks to disapply this right for the purpose of the Capital Raising. The authority and power to disapply pre-emption rights in relation to the Placing, Open Offer, Offer for Subscription and Intermediaries Offer is being sought to allow the Directors to issue the New Ordinary Shares on a non-pre-emptive basis pursuant to the Capital Raising.

The Capital Raising Resolution will be proposed as an extraordinary resolution requiring the approval of not less than 75 per cent. of the votes cast. The authority granted under the Capital Raising Resolution is in addition to the authority which was granted to the Directors at the Company's annual general meeting on 23 May 2019 and will (unless previously revoked or varied by the Company in general meeting) expire at the conclusion of the next annual general meeting of the Company or on 18 October 2020, whichever is sooner.

Your attention is again drawn to the fact that the Capital Raising is conditional and dependent upon the Capital Raising Resolution being passed (there are also additional conditions which must be satisfied before the Capital Raising can be completed, further details of which are summarised in paragraph 5 of this Part 5).

For further information in relation to the Capital Raising Resolution to be proposed at the Extraordinary General Meeting, see the Notice of Extraordinary General Meeting in Part 15 of this document.

11.2 **Disapplication Resolution**

The Disapplication Resolution will be proposed as an extraordinary resolution to give the Directors power to issue equity securities without the application of pre-emption rights: first, in relation to the issue, allotment and/or sale of equity securities for cash of up to an aggregate number of the lower of: (i) 23,335,892 equity securities; and (ii) five per cent. of the Enlarged Issued Share Capital; and further, in relation to an acquisition or other capital investment as defined by the Pre-Emption Group's Statement of Principles, up to an additional maximum number of the lower of: (i) 23,335,892 equity securities; and (ii) an additional five per cent. of the Enlarged Issued Share Capital.

These limits are in accordance with the guidelines issued by the Pre-Emption Group, the Investment Association and market practice. The Directors intend to adhere to the most recent provisions in the Pre-Emption Group's Statement of Principles and not to allot, issue and/or sell equity securities for cash on a non-pre-emptive basis pursuant to the authority in the Disapplication Resolution:

- in excess of an amount equal to five per cent. of the total issued Ordinary Share capital of the Company excluding treasury shares; or
- in excess of an amount equal to 7.5 per cent. of the total issued Ordinary Share capital of the Company excluding treasury shares within a rolling three-year period, without prior consultation with Shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, issue and/or sale or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment, issue and/or sale.

The Directors confirm that any equity securities issued pursuant to the authority in the Disapplication Resolution will be issued either at or at a premium to the prevailing Net Asset Value per Share at the time of issue.

The authority sought and limits set by the Disapplication Resolution will also apply to a sale by the Company of any equity securities it holds as treasury shares. The Companies Law permits

shares purchased by the Company to be held as treasury shares, which may then be cancelled, or sold for cash.

The authority conferred by the Disapplication Resolution is in substitution for the authority which was granted to the Directors at the Company's annual general meeting on 23 May 2019 and will (unless previously revoked or varied by the Company in general meeting) expire at the end of the Company's next annual general meeting or, if sooner, on 18 October 2020.

11.3 **Buyback Resolution**

The Buyback Resolution will be proposed to give the Company power to make market purchases of Ordinary Shares provided that:

- the maximum number of Ordinary Shares that may be purchased by the Company is 10 per cent. of the Ordinary Shares in issue immediately following Admission;
- the minimum price which may be paid for an Ordinary Share is £0.01;
- the maximum price which may be paid for an Ordinary Share must be an amount equal to the higher of: (i) 5 per cent. above the average of the middle market values of an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which any Ordinary Share is purchased; and (ii) the last independent trade or the highest current independent bid for Ordinary Shares; and
- such authority will expire at the end of the Company's next annual general meeting or, if sooner, on 18 October 2020, save that the Company may contract to purchase Ordinary Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary Shares in pursuance of such contract.

12. **Directors' participation**

The Directors are interested in an aggregate of 2,283,162 Existing Ordinary Shares (representing approximately 0.61 per cent. of the Existing Ordinary Shares). The Directors intend to participate in the Capital Raising and subscribe for up to the following number of New Ordinary Shares:

- Kevin McGrath – 37,558 New Ordinary Shares;
- William Eason – 46,948 New Ordinary Shares;
- Daniel Taylor – 338,028 New Ordinary Shares;
- Frances Daley – 46,948 New Ordinary Shares;
- Stephen Inglis – 93,896 New Ordinary Shares;
- Tim Bee – 28,169 New Ordinary Shares.

Further information in relation to the Directors' participation in the Capital Raising, their holdings of Existing Ordinary Shares as at the date of this document and their anticipated shareholdings at Admission are set out in paragraph 8.5 of Part 13 of this document.

13. **Related Party transaction**

Martin Hughes is a related party of the Company for the purposes of Chapter 11 of the Listing Rules as a result of him being an associate of the Investment Manager. Martin Hughes, through Toscafund Investments Limited, a private company which he controls has agreed to subscribe for up to 4,694,835 New Ordinary Shares under and on the terms of and conditions to, the Capital Raising, which is classified as a smaller related party transaction for the purposes of Chapter 11.1.10R of the Listing Rules.

14. **Taxation**

A general guide to certain aspects of current UK tax law and HMRC published practice as at the date of this document which applies only to certain Shareholders and prospective investors in the New Ordinary Shares pursuant to the Capital Raising resident for tax purposes in the UK is set out in Part

11 of this document. The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding Ordinary Shares or acquiring New Ordinary Shares pursuant to the Capital Raising. Shareholders and prospective investors in New Ordinary Shares pursuant to the Capital Raising are advised to consult their own independent tax advisers concerning the consequences under UK tax law of the acquisition, ownership and disposition of Ordinary Shares.

15. Action to be taken

15.1 *The Open Offer*

If you are a Qualifying Non-CREST Shareholder and you wish to take up your Open Offer Entitlements in whole or in part and any Excess Shares, you should complete and return the enclosed Open Offer Application Form, together with your remittance for the full amount of the subscription monies for the New Ordinary Shares being taken up in accordance with the instructions printed thereon and in Appendix A of this document, by post or by hand, (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive as early as possible but in any event by no later than 10.00 a.m. on 18 July 2019 being the latest time for acceptance and payment in full. If you do not wish to apply for any Open Offer Shares nor any Excess Shares under the Open Offer you should not complete or return the Open Offer Application Form. If you are a Qualifying CREST Shareholder, no Open Offer Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your basic entitlement under the Open Offer and a credit in respect of the Excess Open Offer Entitlements for use in connection with the Excess Application Facility.

The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Open Offer Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The latest time for applications under the Open Offer to be received is 10.00 a.m. on 18 July 2019.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date the shares were marked ex-entitlement to the Open Offer you should send this document (but not any personalised Form of Proxy or Open Offer Application Form) at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee.

Full details of the terms of and conditions to the Open Offer and the procedure for application and payment are contained in Appendix A of this document.

15.2 *In respect of the Offer for Subscription*

The Directors are also proposing to offer New Ordinary Shares under the Offer for Subscription, subject to the terms of and conditions to the Offer for Subscription set out in Appendix C to this document. Applications under the Offer for Subscription must be for New Ordinary Shares at the Issue Price. The aggregate subscription price is payable in full on application. Individual applications must be for a minimum subscription of 1,000 New Ordinary Shares and then in multiples of 100 New Ordinary Shares thereafter, although the Board may accept applications below these minimum amounts in its absolute discretion.

Full details of the terms of and conditions to the Offer for Subscription and the procedure for application and payment are contained in Appendix C of this document.

15.3 *In respect of the Intermediaries Offer*

Members of the general public in the United Kingdom, the Channel Islands and the Isle of Man may be eligible to apply for New Ordinary Shares through the Intermediaries Offer, by following the application procedures of the relevant Intermediary, by no later than 3.00 p.m. on 18 July 2019. New Ordinary Shares are being made available under the Intermediaries Offer to retail investors in the UK, Channel Islands and Isle of Man only.

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 Ordinary Shares

allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands or the Isle of Man. Applications under the Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not be reference to a number of New Ordinary Shares or the Issue Price.

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

15.4 *In respect of the Extraordinary General Meeting*

You will find in Part 15 of this document a notice convening the Extraordinary General Meeting to be held at 10.00 a.m. on 18 July 2019 at 20 Cursitor Street, London EC4A 1LT. A Form of Proxy for use at the Extraordinary General Meeting or at any adjournment thereof accompanies this document. Whether or not you intend to be present in person at the Extraordinary General Meeting, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible, but in any event so as to be received no later than 10.00 a.m. on 16 July 2019 by the Company's registrars, Link Asset Services PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. The lodging of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting at the Extraordinary General Meeting in person if you so wish. You may also submit your proxies electronically at www.signalshares.com and logging into your share portal account or registering for the share portal if you have not already done so. To register for the share portal you will need your investor code set out on the Form of Proxy. Once registered, you will be able to vote immediately. If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the issuer's agent, ID RA10, so that it is received no later than 10.00 a.m. on 16 July 2019.

The results of the votes cast at the Extraordinary General Meeting will be announced as soon as possible once known through a Regulatory Information Service and on the Company's website (www.regionalreit.com). It is expected that this will be on 18 July 2019.

15.5 *Expenses*

No expenses will be charged directly to any investor by the Company. All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediary Offer.

15.6 *General*

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser.

16. Recommendation and voting intentions

The Board believes that the Capital Raising and the Resolutions are in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings of 2,283,162 Ordinary Shares, representing in aggregate 0.61 per cent. of the Company's Existing Ordinary Share Capital.

Yours faithfully

Kevin McGrath
Chairman

PART 6

QUESTIONS AND ANSWERS ABOUT THE CAPITAL RAISING

The questions and answers set out in this Part 6 are intended to be generic guidance only and, as such, you should read the whole of this document and, in particular, Appendix A, Appendix B, and Appendix C of this document for full details of what action you should take. The attention of Overseas Shareholders is drawn to paragraph 6 of Appendix A of this document.

This Part 6 deals with general questions relating to the Capital Raising, as well as more specific questions relating to Qualifying Non-CREST Shareholders. If you hold your Ordinary Shares in uncertificated form (that is, through CREST) your attention is drawn to Appendix A and Appendix B of this document which contains full details of what action you should take. If you are a CREST sponsored member, you should consult your CREST sponsor.

If you do not know whether your Ordinary Shares are held in certificated or uncertificated form, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is the Placing, Open Offer, Offer for Subscription and Intermediaries Offer?

A placing and open offer are ways for companies to raise money. They usually do this by giving their existing shareholders a right to subscribe for further shares at a fixed price in proportion to their existing shareholdings (an open offer) and providing for existing and new investors to subscribe for new shares in the Company (a placing).

An offer for subscription is an offer to members of the public to subscribe for shares in a company.

An intermediaries offer is an offer of shares to financial institutions (such as banks), who act as intermediaries between the offering company and their own clients. The intermediaries will then allocate those shares amongst their own clients, who may not have been able to participate directly in a placing or open offer.

2. When will the Capital Raising take place?

The Capital Raising is subject to Admission becoming effective by not later than 8.00 a.m. on 23 July 2019 (or such later time and/or date as Peel Hunt and the Directors may agree, being not later than 8.00 a.m. on 9 August 2019).

3. What is the Company's Open Offer?

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to subscribe for an aggregate of 46,602,642 Open Offer Shares at a price of 106.5 pence per Open Offer Share. If you hold Ordinary Shares at the Record Time or have a bona fide market claim and are not a Shareholder who is located in the United States or any other Restricted Jurisdiction (for further information on Overseas Shareholders, see paragraph 6 of Appendix A of this document), you will be entitled to subscribe for New Ordinary Shares under the Open Offer.

The Open Offer is being made on the basis of 1 New Ordinary Share for every 8 Existing Ordinary Shares held by Qualifying Shareholders at the Record Time. Applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. In addition, and subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for any whole number of Excess

Shares in excess of their Open Offer Entitlements. If there is an over-subscription resulting from excess applications, allocations in respect of such Excess Shares will be scaled-back at the absolute discretion of Peel Hunt in consultation with the Board, who will have regard to the pro rata number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. No assurances can therefore be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

If your entitlement to New Ordinary Shares is not a whole number, your fractional entitlement will be rounded down to the nearest whole number in calculating your actual Open Offer Entitlement. If you hold fewer than 8 Existing Ordinary Shares, you will not receive an Open Offer Entitlement. Fractional entitlements to New Ordinary Shares will be aggregated and will ultimately accrue for the benefit of the Company. New Ordinary Shares are being offered to Qualifying Shareholders at a discount of 1.8 per cent. to the Closing Price of 108.4 pence.

Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, the Open Offer Entitlements and Excess Open Offer Entitlements will not be tradeable or listed and applications in respect of 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. New Ordinary Shares for which application has not been made 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 their entitlements will have no rights nor receive any benefit under the Open Offer. Any New Ordinary Shares which are not applied for under the Open Offer Entitlements and Excess Open Offer Entitlements may be allocated to Places or made available under the Offer for Subscription, the Intermediaries Offer and/or the Excess Application Facility, and the net proceeds will be retained, for the benefit of the Company.

Following the issue of New Ordinary Shares proposed to be allotted pursuant to the Capital Raising, Qualifying Shareholders who take up their full Open Offer Entitlements will not suffer a dilution to their interests in the Company (assuming Gross Capital Raising Proceeds of £50 million). If the Directors exercise their right to increase the size of the Capital Raising by the full amount available to them, Qualifying Shareholders who take up their full Open Offer Entitlements will suffer a maximum dilution of approximately 10.1 per cent. to their interests in the Company.

Qualifying Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of 11.2 per cent. to their interests in the Company (assuming Gross Capital Raising Proceeds of £50 million).

Shareholders should note that the Capital Raising is conditional upon: (i) the Capital Raising Resolution being passed by Shareholders at the Extraordinary General Meeting (without material amendment); (ii) the Placing Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms before Admission; and (iii) Admission becoming effective by not later than 8.00 a.m. on 23 July 2019 (or such later time and/or date as Peel Hunt and the Board may agree, being not later than 8.00 a.m. on 9 August 2019).

4. What is an Open Offer Application Form?

The Open Offer Application Form is a form sent to those Qualifying Shareholders who hold their Ordinary Shares in certificated form. It sets out your Open Offer Entitlement to subscribe for the Open Offer Shares and Excess Open Offer Entitlement to subscribe for any Excess Shares and is a form which you should complete if you want to participate in the Open Offer.

5. What if I have not received an Open Offer Application Form or I have lost my Open Offer Application Form?

If you have not received an Open Offer Application Form and you do not hold your Existing Ordinary Shares in CREST, this probably means that you are not eligible to participate in the Open Offer. Some

Qualifying Shareholders, however, will not receive an Open Offer Application Form but may still be able to participate in the Open Offer, including:

- Qualifying CREST Shareholders;
- Qualifying Non-CREST Shareholders who bought Ordinary Shares before the Ex-Entitlements Date but were not registered as the holders of those Ordinary Shares at the Record Time (see question 6 below); and
- certain Overseas Shareholders.

If you have not received an Open Offer Application Form but think that you should have received one or would like to receive one, or you have lost your Open Offer Application Form, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

6. If I bought my Existing Ordinary Shares before 8.00 a.m. on 24 June 2019 (the Ex-Entitlements Date) will I be eligible to participate in the Open Offer?

If you bought Ordinary Shares before the Ex-Entitlements Date but you were not registered as the holder of those Ordinary Shares at the Record Time you may still be eligible to participate in the Open Offer. If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. You will not be entitled to the New Ordinary Shares in respect of any Ordinary Shares acquired on or after the Ex-Entitlements Date.

7. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Appendix A of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of the New Ordinary Shares which they are entitled to take up under the Open Offer and should contact them if they do not receive this information.

8. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?

If you receive an Open Offer Application Form, are not a Shareholder with a registered address in a Restricted Jurisdiction (subject to certain exemptions) and are not physically located in any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares on or after the Ex-Entitlements Date.

Shareholders located in, or who are citizens of, or who have an address in, a jurisdiction other than the United Kingdom will be subject to the laws of that jurisdiction and their ability to participate in the Open Offer may be affected accordingly. Shareholders who are located in, or who are citizens of, or who have an address in a jurisdiction outside of, the United Kingdom should read paragraph 6 of Appendix A of this document and should take professional advice as to whether they are eligible and/or need to observe any formalities to enable them to take up their Open Offer Entitlement.

9. I hold my Existing Ordinary Shares in certificated form. How do I know how many New Ordinary Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain limited exceptions, do not have a registered address in the United States or any other Restricted Jurisdiction, you will be sent an Open Offer Application Form that shows:

- in Box 6, how many Existing Ordinary Shares you held at the Record Time;
- in Box 7, how many New Ordinary Shares are comprised in your Open Offer Entitlement; and

- in Box 8, how much you need to pay in Sterling if you want to take up your right to subscribe for all of your Open Offer Entitlement.

If you would like to apply for any or all of the New Ordinary Shares comprised in your Open Offer Entitlement, you should complete the Open Offer Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be posted, along with a cheque or banker's draft drawn in the appropriate form, in the accompanying prepaid envelope to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by no later than 11.00 a.m. on 18 July 2019, after which time Application Forms will not be valid.

If you would like to apply for any Excess Shares (i.e. New Ordinary Shares in excess of your Open Offer Entitlement which have not been applied for by other Qualifying Shareholders) pursuant to the Excess Application Facility, you should complete the Open Offer Application Form in accordance with the instructions printed on it and the information provided in this document.

10. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Open Offer Application Form. What are my choices in relation to the Open Offer?

10.1 *If you do not want to take up your Open Offer Entitlement*

If you do not want to take up your Open Offer Entitlement you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue provided the price at which they are sold exceeds the costs and expenses of effecting the sale. You cannot sell your Open Offer Entitlement or Excess Open Offer Entitlement to anyone else. If you do not return your Open Offer Application Form subscribing for the New Ordinary Shares to which you are entitled by 10.00 a.m. on 18 July 2019, such New Ordinary Shares will be made available for subscription under the Excess Application Facility. Failing that, we have made arrangements under which we have agreed to allocate the New Ordinary Shares comprising your Open Offer Entitlement and the balance of Excess Shares which are not taken up by Qualifying Shareholders to investors under the Placing, Offer for Subscription and/or Intermediaries Offer. Whether or not they participate in the Capital Raising, Shareholders are, however, encouraged to vote at the Extraordinary General Meeting by attending in person or completing and returning the Form of Proxy enclosed with this document.

If you do not take up your Open Offer Entitlement, then, following the issue of the New Ordinary Shares pursuant to the Capital Raising, your interest in the Company will be diluted by approximately 11.2 per cent. (assuming Gross Capital Raising Proceeds of £50 million).

10.2 *If you want to take up some but not all of the New Ordinary Shares under your Open Offer Entitlement*

If you want to take up some but not all of the New Ordinary Shares under your Open Offer Entitlement, you should write the number of New Ordinary Shares you want to take up in Box 2 and Box 4 of your Open Offer Application Form; for example, if you have an Open Offer Entitlement for 50 New Ordinary Shares but you only want to apply for 25 New Ordinary Shares, then you should write “**25**” in Box 2 and Box 4. To work out how much you need to pay for the New Ordinary Shares, you need to multiply the number of New Ordinary Shares you want (in this example, “**25**”) by 106.5 pence (the Issue Price), giving you an amount of £26.63 in this example.

You should write this total sum in Box 5, rounding up to the nearest whole penny, and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Open Offer Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by no later than 10.00 a.m. on 18 July 2019, after which time Application Forms will not be valid. If you post your Open Offer Application Form by first class post, it is recommended that you allow at least four Business Days for delivery.

All payments should be in pounds sterling and made by cheque or banker's draft made payable to “**Link Market Services Limited re Regional REIT Limited Open Offer A/C**” and crossed

“A/C payee only”. Cheques or banker’s drafts must be drawn on an account at a bank or building society or a branch of a bank or building society which is in the UK, the Channel Islands or the Isle of Man and 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 or banker’s drafts to be cleared through the facilities provided by either of those companies. Cheques and banker’s drafts must bear the appropriate sorting code number in the top right-hand corner and must be for the full amount payable on application. Post-dated cheques will not be accepted.

Cheques not drawn on a bank referred to in the paragraph above will be rejected. 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 inserted details of the name of the account holder and the number of an account held in the applicant’s name and the building society cheque or banker’s draft has been stamped on the back of the cheque or banker’s draft with the building society or bank branch’s stamp. The account name should be the same as that shown on the application. Cheques or banker’s drafts will be presented for payment upon receipt. Payments via CHAPS, BACS or electronic transfer will not be accepted. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker’s drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments. 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 banker’s drafts sent through the post will be sent at the risk of the sender.

A definitive share certificate will then be sent to you for the New Ordinary Shares that you take up. Your definitive share certificate for New Ordinary Shares is expected to be despatched to you within 14 Business Days of Admission.

10.3 ***If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the New Ordinary Shares available to you through your Open Offer Entitlement, all you need to do is sign page 1 of the Open Offer Application Form (ensuring that all joint holders sign (if applicable)) and send the Open Offer Application Form, together with your cheque or banker’s draft for the amount (as indicated in Box 8 of your Open Offer Application Form), payable to **“Link Market Services Limited re Regional REIT Open Offer A/C”** and crossed **“A/C payee only”**, in the accompanying prepaid envelope by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU so as to be received by no later than 10.00 a.m. on 18 July 2019, after which time Application Forms will not be valid. If you post your Open Offer Application Form by first class post, it is recommended that you allow at least four Business Days for delivery.

10.4 ***If you want to take up Excess Shares pursuant to the Excess Application Facility***

If you want to apply for Excess Shares you may do so by completing Boxes 2, 3, 4 and 5 of the Open Offer Application Form. However, the total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Applications Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full or where fractional entitlements have been aggregated and made available for sale for the benefit of the Company.

If there is an over-subscription resulting from excess applications, allocations in respect of such excess applications will be scaled-back at the absolute discretion of Peel Hunt in consultation with the Board, who will have regard to the pro rata number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. No assurances can therefore be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, 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.

10.5 If I buy Existing Ordinary Shares after the Record Time, will I be eligible to participate in the Open Offer?

If you bought your Existing Ordinary Shares after the Record Time but before the Ex-Entitlements Date, you are likely to be able to participate in the Open Offer in respect of such Existing Ordinary Shares. If you are in any doubt, please consult your stockbroker, bank manager or other appropriate financial adviser, or whoever arranged your share purchase. If you buy Existing Ordinary Shares on or after the Ex-Entitlements Date, you will not be able to participate in the Open Offer in respect of such Existing Ordinary Shares.

11. I am a Qualifying Shareholder, do I have to apply for all the New Ordinary Shares I am entitled to apply for under my Open Offer Entitlement?

You can take up any number of the New Ordinary Shares allocated to you under your Open Offer Entitlement. Your maximum Open Offer Entitlement is shown on your Open Offer Application Form in Box 7, however, if you take up your maximum Open Offer Entitlement in full you can also, if you wish, apply for Excess Shares pursuant to the Excess Application Facility.

Any applications by a Qualifying Shareholder for a number of New Ordinary Shares which is equal to or less than that person's Open Offer Entitlement will be satisfied, subject to the Open Offer becoming unconditional. Excess applications will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their pro rata entitlements. If there is an over-subscription resulting from excess applications, allocations in respect of such Excess Applications will be scaled-back at the absolute discretion of Peel Hunt in consultation with the Board, who will have regard to the pro rata number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. No assurances can therefore be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all. If you decide not to take up all of the New Ordinary Shares comprised in your Open Offer Entitlement, then your proportion of the ownership and voting interest in the Company will be reduced to a greater extent than if you had decided to take up your full entitlement. Please refer to the answers to questions 10.1, 10.2, 10.3, 10.4 and 10.5 for further information.

12. Will I have to pay any fees for taking up my Open Offer Entitlement?

There will be no fee payable by you for taking up your Open Offer Entitlement (the only payment required is payment of an amount equal to the number of New Ordinary Shares taken up by you, multiplied by the Issue Price).

13. Will I be taxed if I take up my entitlements?

If you are resident in the UK for UK tax purposes, you will not have to pay UK tax when you take up your right to receive New Ordinary Shares, although the Capital Raising may affect the amount of UK tax you pay when you sell your Ordinary Shares.

Further information for Qualifying Shareholders who are resident in the UK for UK tax purposes is contained in Part 11 of this document. Shareholders who are in any doubt as to their tax position or who are subject to tax in any jurisdiction other than the United Kingdom should consult their professional advisers immediately. Residents and taxpayers of other jurisdictions should consult their own tax advisers.

14. What should I do if I live outside the United Kingdom?

Your ability to apply to subscribe for New Ordinary Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement and/or an Excess Open Offer Entitlement. Your attention is drawn to the information in paragraph 5 of Appendix A of this document.

15. Will the Capital Raising affect my dividends on the Existing Ordinary Shares?

The New Ordinary Shares issued in connection with the Capital Raising will rank, from Admission, *pari passu* in all other respects with the Existing Ordinary Shares and will have the right to receive all

dividends and distributions declared in respect of issued Ordinary Share capital of the Company after Admission. The next quarterly dividend to be announced is expected to be for the quarter ending 30 June 2019 and is expected to be declared in August 2019 and paid in October 2019.

As a REIT, the Company is required to distribute at least 90 per cent. of the income from its property rental business as dividends. It is committed to a growing, progressive dividend and its policy of paying quarterly dividends provides a source of regular income for Shareholders, thus improving their cashflow return profile.

The level of future dividends will be determined by the Board having regard to, inter alia, the financial position and performance of the Group at the relevant time, UK REIT requirements and the interests of Shareholders, as a whole.

16. What if I change my mind?

If you are a Qualifying Non-CREST Shareholder, in relation to the Open Offer, once you have sent your Open Offer Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of New Ordinary Shares for which you have applied, except in very limited circumstances which are set out in paragraph 5 of Appendix A of this document.

17. What should I do if I need further assistance?

If you have any other questions, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Capita Asset Services staff can explain the options available to you, which forms you need to fill in and how to fill them in correctly.

Your attention is drawn to the further terms and conditions of the Capital Raising set out in Appendix A, Appendix B and Appendix C of this document.

The contents of this document or any subsequent communication from the Company, Peel Hunt or any of their respective affiliates, officers, directors, employees or agents are not to be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own solicitor, independent financial adviser or tax adviser for legal, financial or tax advice.

PART 7

BUSINESS OVERVIEW

1. Introduction

The Company is an established UK real estate investor, asset manager and developer which is listed on the premium listing segment of the Official List of the FCA, has its Ordinary Shares admitted to trading on the Main Market of the London Stock Exchange and is a constituent member of the FTSE All-Share and FTSE EPRA NAREIT Developed Europe Indices. The Company's commercial property portfolio is wholly in the UK and comprises, predominantly, quality offices and industrial units located in the regional centres of the UK outside of the M25 motorway. The Company is an active real estate investor and asset manager, producing a tailored business and asset development/management plan for each of the assets it acquires in order to be able to maximise returns.

The Company owns a portfolio of commercial property interests in the principal regional locations of the UK outside of the M25 motorway, which were originally acquired from the Funds. These interests are comprised primarily of offices, with a smaller percentage of multi-let light industrial properties. As at the date of this document, the Group's investment portfolio is spread across 149 properties consisting of 1,184 individual units with a total of 835 tenants, which were valued at 14 June 2019 at £721.2 million in aggregate, with an annualised gross rental income of £58.2 million per annum reflecting a yield of 6.1 per cent. on a weighted average unexpired lease term of 5.4 years (3.4 years to first break). Further information on the Property Portfolio is set out in Part 9 of this document.

The Company is managed by the Managers and has an investment objective to deliver an attractive total return to Shareholders, with a strong focus on income, from investing in UK commercial property, predominantly in the office and industrial sectors in major regional centres and urban areas outside of the M25 motorway. It intends to pursue this investment objective by following an investment strategy involving active property management and prudent use of debt finance, as detailed below. The Company is a limited company incorporated in Guernsey and tax resident in the United Kingdom.

2. Background

2.1 History

The Company acquired the Initial Property Portfolio from the Funds on 3 November 2015 and agreed to issue a total of 274,217,260 Ordinary Shares to the general partners of the Funds in consideration, which, along with the four subscriber shares, were admitted to trading on the London Stock Exchange's main market for listed securities on 2015 Admission.

On 7 November 2015, the Company converted to REIT status bringing it into line with the structure of many of the more mainstream listed UK property businesses. As described in Part 11 of this document, REITs are required to distribute at least 90 per cent. of the profits from their property rental businesses as dividends and this is a structure which sits well alongside the Company's focus on income-producing assets and the importance of income returns as a key component of total returns.

2.2 Details of material transactions since 2015 Admission

- On 30 December 2015, the Company announced the acquisition of five regional assets from a retained client of La Salle Investment Management for a total consideration of £37.5 million, totalling 703,000 square feet.
- On 9 February 2016, the Company announced the acquisition of the Rainbow Portfolio for £80 million from Northwood Investors. The portfolio comprised 12 assets, five offices and seven industrial sites totalling 1.15 million square feet.
- On 23 February 2017, the Company announced the conditional acquisition of approximately £129 million of property assets from The Conygar Investment Company plc in which the Group acquired 31 mixed-use UK regional property assets, which in aggregate were valued at c.£129 million. As part of the transaction, the Group also

assumed two banking facilities (totalling £69.5m), and Regional Commercial Midco Limited acquired Conygar ZDP plc and assumed the obligation to fund the liabilities of Conygar ZDP plc (being approximately £37 million in relation to zero dividend preference shares issued by Conygar ZDP plc). Conygar ZDP plc has subsequently been renamed Regional REIT ZDP plc.

- On 21 December 2017, the Company undertook a secondary fundraise and issued 72,277,228 Ordinary Shares raising, in aggregate, gross proceeds of £73 million (the “**2017 Fundraise**”). The proceeds of the 2017 Fundraise were used to fund the acquisition of two property portfolios, completion of which occurred on 27 December 2017.
- On 26 June 2018, the Company completed its acquisition of six regional assets from Kildare Partners for £35.2 million, further utilising the proceeds of the 2017 Fundraise. The portfolio consists of five regional offices and one office/distribution property located in Telford, Rotherham, Macclesfield, Dundee, Chelmsford and Bedford, totaling approximately 320,000 sq. ft.
- On 20 June 2018, the Company exchanged contracts to sell The Point Trade & retail Park in Glasgow for £14.1 million, representing an uplift of 5.6 per cent. against the 31 December 2017 valuation.
- On 2 July 2018, the Company completed the sale of an industrial property portfolio for £39.1 million, representing an uplift of 24.1 per cent. against the 31 December 2017 valuation.
- On 18 July 2018, the Company launched an offer of 4.5 per cent. sterling bonds due 6 August 2024. Interest is payable semi-annually in arrear equal instalments, and the bonds have a minimum initial subscription amount of £2,000. On 7 August 2018, the bonds were admitted to trading on the London Stock Exchange, following a raise of £50 million in a bond issue.
- On 13 August 2018, the Company completed the sale of its multi-let industrial estate in Wardpark, Cumbernauld, for £26.4 million, representing an uplift of 21.1 per cent. above the 31 December 2017 valuation.
- On 17 August 2018, the Company completed its acquisition of a regional office and industrial property portfolio in Hull, High Wycombe, Stockton-on-Tees, Ipswich, Clevedon, Wakefield, Deeside and Lincoln for £31.4 million.
- On 10 September 2018, the Company completed the sale of Turnford Place for £17.25 million, representing an uplift of 20.6 per cent. against the 31 December 2017 valuation.
- On 10 January 2018, Regional REIT ZDP plc repaid c. £39.9 million to the holders of the 6.5 per cent. ZDP shares for their final capital entitlement, which matured on 9 January 2019.
- On 4 February 2019, the Company completed its acquisition of Norfolk House, Birmingham for £20 million. The property is 119,687 sq. ft. comprising retail units and office accommodation.
- On 10 June 2019, the Company disposed of the office building known as Aspect Court, Pond Hill, Sheffield to Sheffield Hallam University for £8.8 million.
- On 14 June 2019, the Company disposed of Tokenspire Business Park in Beverley for £11.1 million.
- On 18 June 2019, Toscafund Glasgow Limited's facility with Santander UK was increased to £66 million and the term extended to 18 June 2029.
- On 19 June 2019, RR UK (South) Limited's facility with The Royal Bank of Scotland was increased to £55 million and the term extended to 19 June 2024.

2.3 **Debt financing**

Debt financing has been sourced from a number of providers and is constituted and hedged in a variety of ways to suit each circumstance. Further details of the debt financing structure are set out at paragraph 11.11 of Part 13 of this document.

2.4 **Performance of the Company**

The Company's Ordinary Shares were admitted to trading on the London Stock Exchange's main market for listed securities on 6 November 2015 with an EPRA NAV per Share of £1.00 before transaction costs of the 2015 Admission (98.1p after such transaction costs). Since the 2015 Admission, the Company's EPRA NAV per Share has risen by 15.5 per cent. to a diluted EPRA NAV per Share of 115.5 pence (EPRA NAV per Share as at 31 December 2018).

2.5 **Pipeline of Investment Opportunities**

The Asset Manager has a strong pipeline of prospective investment opportunities that have been identified. Please see paragraph 3 of Part 5 of this document.

3. **The real estate market**

An overview of the market, including investment activity in UK commercial property and rental growth in the Group's specific sectors can be found on pages 22 to 25 of the 2018 Annual Report, which are incorporated by reference in this document pursuant to section A of Part 10.

4. **Business strengths**

4.1 **Management of the Group**

The Company has a highly experienced Board with Kevin McGrath as chairman, Stephen Inglis and Tim Bee as non-executive directors, together with three independent non-executive directors being Daniel Taylor, William Eason and Frances Daley. Board members have considerable experience in the property or financing industries. For more information on the Directors, see paragraph 1 of Part 8 of this document.

The Company has appointed London & Scottish Property Investment Management Limited as asset manager and the Company's property manager. The Asset Manager's relationships have enabled it to access both off-market and more widely marketed real estate transactions and to access debt financing packages in the various phases of the economic cycle. The Directors believe that the Asset Manager's relationships and experience will continue to provide the Company with the access and ability to cultivate appropriate investment opportunities to meet the Company's investment criteria. Furthermore, the Directors believe that the Asset Manager's distinct knowledge of, and competence within, the UK commercial property market will keep the Company well placed to capitalise on the opportunities presented by current and expected market conditions. For more information on the Asset Manager and the track record of its management team, see paragraph 3 of Part 8 of this document.

The Directors believe that the Asset Manager's close relationships with existing and future tenants and its detailed due diligence and depth of knowledge in its chosen markets will continue to be relied on for the acquisition of properties where the market has mispriced the strength of the covenant or which offer value enhancing property management opportunities relating to lease re-gearing or upcoming rent reviews.

The Company has appointed Toscafund Asset Management LLP as the Company's investment manager which, in addition to providing the extensive experience of its management team in creating value for shareholders, also procures access to significant property, finance and corporate experience. For more information on the Investment Manager and the track record of its management team, see paragraph 4 of Part 8 of this document.

There are no fees or amounts payable to the Asset Manager or the Investment Manager by the Company other than the fees described in paragraphs 11.2 and 11.3 of Part 13 of this document.

4.2 **Quality of the Property Portfolio**

The Asset Manager has developed excellent relationships with a number of key property agencies throughout the UK, together with close relationships with banks, insolvency

practitioners and the major funds who are acquirers of distressed debt and property. This has led to the opportunity to identify and seek to acquire property against a generally more limited group of competitors.

The Property Portfolio has therefore been assembled through the various industry contacts developed by the Asset Manager, targeting the required returns and ensuring that the appropriate target sectors are covered both in property type and in geographic spread. In a number of instances, the acquisition cost has been significantly lower than the pricing sought by the vendors due to the Group's ability to acquire for cash and applying gearing at a later date, leading both to certainty for the vendor and speed of completion.

The Asset Manager has developed modelling to ensure that no increase in rental values is assumed, an improvement in void rates is assumed only where appropriate, no improvement in the macro economy is assumed and that properties are sold into the same market conditions as that in which they were acquired, thus taking no account of improvement in yields. This conservative modelling ensures that each property has the maximum potential upside if any, or all, of the ignored criteria arises. Each potential property acquisition must meet the modelling criteria, irrespective of any other considerations as to its suitability.

The Asset Manager has targeted, on behalf of the Group, real estate located in Birmingham, Edinburgh, Glasgow, Newcastle, Manchester, Leeds, Bristol and the South West of England, areas to the south and west of the M25 motorway and in the Midlands. In the opinion of the Asset Manager, this distribution, and the often multi-tenanted nature, of the assets, has the effect of minimising risk while offering greater opportunities for enhancing both income and capital value.

5. Investment objective

The investment objective of the Company is to deliver an attractive total return to Shareholders, with a strong focus on income, from investing in UK commercial property, predominantly in the office and industrial sectors in major regional centres and urban areas outside of the M25 motorway.

6. The opportunity

The Directors believe that the UK regional property market continues to be experiencing an upswing, with conditions favourable to focusing on sustainable income and capital growth. The Company intends to focus on creating both sustainable income and strong capital returns for the Company, pursuing a progressive dividend policy and a target Total Shareholder Return of 10 per cent per annum.⁷

The Board believes that there is opportunity to build up a high quality portfolio of commercial real estate assets with strong income and added value characteristics.

7. Investment Policy

The Group will continue to pursue its investment objective by investing in, managing and disposing of a diversified portfolio of UK office and light industrial properties, which are located predominantly in the regional centres of the UK outside of the M25 motorway, in accordance with its investment strategy and financing strategy, as detailed below. The Company may and will typically make investments in property via a number of methods, which include (but are not limited to) (i) direct investment in or acquisition of the real estate asset or portfolio of assets; (ii) direct investment in or acquisition of the holding company of the real estate asset or portfolio of assets; and (iii) direct investment in or acquisition of a joint venture vehicle, which has a direct investment in or holds the real estate assets or the holding company of the real estate asset or portfolio of assets. In addition, the Company may, from time to time, acquire, manage and dispose of debt portfolios whose receivables are secured principally against real property that conform to the investment policy criteria and where each secured property complies with the investment restrictions below. For the avoidance of doubt, the Company may make an investment through any type of entity it considers appropriate, taking into account the requirement to have an appropriately diversified portfolio of assets, including, without limitation, any member of the Group, and references in this Investment Policy to the Company making investments, acquiring or holding assets should be construed accordingly.

⁷ This is a target only and not a profit forecast. There can be no assurance that these targets can or will be met and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in the Ordinary Shares. In addition, as noted previously prior to making any investment decision, prospective investors should carefully consider the risk factors described in Part 1 of this document.

The intention of the Directors is that the Company will continue to invest predominantly in income producing investments, capable of delivering an attractive total return to Shareholders, with a strong focus on income. Investment decisions will continue to be based on analysis of, among other things, 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 Directors intend to continue to conduct the affairs of the Company at all times so as to enable the Company to qualify as a REIT.

7.1 *Investment strategy*

The Company intends to continue to be opportunistic in its approach and exploit what the Asset Manager and Investment Manager (working jointly and subject to oversight by the Directors) believe to be pricing inefficiencies and mismatches in the available yields between those available on regional commercial prime properties and those available on regional commercial Core Properties and Core-Plus Properties in regional centres outside the M25 motorway. Some of these opportunities result from the distressed state of markets following the financial dislocations of 2008 and 2011, the upsizing of minimum lot sizes in institutional portfolios or by cash-constrained owners being unable to fulfil debt requirements or undertake any meaningful asset management of their properties.

The Company intends to supplement this core strategy with property management initiatives to be undertaken by the Asset Manager with a view to enhancing the quality and quantity of income streams. Such property management initiatives are likely to include:

- increasing rental income across the Property Portfolio by aggressive marketing of vacant space;
- increasing the level of lease renewals by tenants and managing rent review policies so as to increase rental income across the Property Portfolio;
- minimising void costs;
- selling assets where premium prices can be achieved and subsequently re-investing the proceeds of sale in new real estate acquisition opportunities;
- enhancing the tenant mix and improving overall covenant strength across the Property Portfolio;
- re-gearing leases and lengthening the weighted average unexpired lease term across the Property Portfolio;
- making physical improvements to the fabric of buildings by way of refurbishment, increasing the size of the properties and exploiting development potential as appropriate, and procuring changes of use in respect of the properties; and
- making judicious use of gearing.

The Company intends to make investments with a view to continuing to hold the Portfolio Interests for the long term. However, the Asset Manager will keep opportunities for disposals of Portfolio Interests under review and, subject to oversight by the Board, may make recommendations to the special purpose vehicles in respect of any disposals.

7.2 *Investment restrictions*

The Group will continue to acquire Portfolio Interests that together offer Shareholders diversification of investment risk by investing in a range of geographical areas and sectors across a number of assets and tenants, and through letting properties, where possible, to low risk tenants. The Group will only invest in office and light industrial properties that are situated in the United Kingdom and outside of the M25 motorway. However, the Group may invest in property portfolios in which up to 50 per cent. of the properties (by market value) are situated inside the boundaries of the M25 motorway.

No single property, in the ordinary course, is expected to exceed 10 per cent. of Gross Investment Properties Value at the time of investment; however, the Board may, in exceptional circumstances, consider a property having a value of up to 20 per cent. of Gross Investment Properties Value at the time of investment. The minimum market value of any single asset at the time of acquisition shall be £5 million, except where such asset is acquired within a portfolio of properties, in which case there shall be no such minimum.

No more than 20 per cent. of the Gross Investment Properties Value shall be exposed to any single tenant or Group Undertaking of that tenant.

Speculative development (i.e. properties under construction, but excluding any refurbishment works, which have not been pre-let) is prohibited. Development, other than such speculative development, is restricted to an aggregate maximum of 15 per cent. of Gross Investment Properties Value at the time of investment or commencement of the development. The Company will invest in commercial properties or portfolios of commercial property assets in the office and industrial sectors but which, in addition, may include ancillary or secondary utilisations such as retail, leisure and residential elements.

The Company does not expect to acquire Portfolio Interests by way of joint ventures, nor does it expect to acquire less than 100 per cent. ownership in any single property. However, the Company is permitted to make investments through these types of investment structures provided (i) that the Company is able to exert a level of control over the underlying investment that the Board and the Investment Manager consider reasonable in the circumstances; and (ii) no more than 25 per cent. of Gross Investment Properties Value at the time of acquisition is attributable to investments where the Company (or its wholly-owned subsidiaries) does not have 100 per cent. ownership.

These investment restrictions shall not require the Group to dispose of Portfolio Interests and/or to rebalance its Property Portfolio as a result of a change in the respective valuations of the Portfolio Interests, except to the extent required by the Listing Rules or for the Group to continue to qualify as a REIT.

7.3 *Financing strategy*

The Group will continue to use gearing and make use of borrowed funds and other forms of leverage to execute its investment strategy and enhance equity returns, provided that the Board considers it to be in the best interests of Shareholders to do so. Such leverage will vary significantly depending on prevailing market conditions. The Board expects that the Group will continue to predominantly look to traditional lending sources such as banks for gearing, but is permitted to utilise leverage from other commercial providers and market counterparties. Based on current market conditions, the Board will target Group net borrowings of 40 per cent. of Gross Investment Properties Value at any time. However the Board may modify the Company's gearing policy (including the level of gearing) from time to time in light of then-current economic conditions, relative costs of debt and equity capital, fair value of the Company's assets, growth and acquisition opportunities or other factors the Board deems appropriate. The level of gearing will be monitored carefully by the Board in light of the cost of borrowing and the Company will seek to use hedging where considered appropriate to mitigate interest rate risk. The Group's net borrowings may not exceed 50 per cent. of the Gross Investment Properties Value at any time. The Group will be under no obligation to reduce borrowings to the extent that this target is exceeded for reasons outside of its control, for instance as a result in changes in property values. The Group's borrowings are expected to be secured on one or more Portfolio Interests.

The Group may borrow for any purpose, including, but not limited to, increasing investment capacity, paying operating expenses, paying repurchase or distribution proceeds or for clearance of transactions. Other than described above, no restrictions have been imposed on the circumstances in which the Company may employ leverage. The Company has no intention to make use of collateral and asset reuse arrangements in connection with any leverage.

7.4 *Amendments to and compliance with the Investment Policy and investment objective*

No material change will be made to the Investment Policy or the investment objective without the approval of Shareholders by Ordinary Resolution and in accordance with the Listing Rules, which

will also be notified to the market through an RIS. Minor changes to this Investment Policy or the investment objective must be approved by the Board and will be notified to the market through an RIS.

In the event of a breach of this Investment Policy (which for the avoidance of doubt excludes any restrictions which are described above as target limits only), the Asset Manager and the Investment Manager shall jointly inform the Directors upon becoming aware of the same and, if the Directors consider the breach to be material, notification will be made to an RIS of details of the breach and of actions it may or may not have taken.

8. Treasury policy

The Company is permitted to invest cash held for working capital purposes and awaiting investment in accordance with the following provisions.

The Company intends that cash not yet invested will be managed by the Investment Manager.

The Company has appointed the Investment Manager as discretionary investment manager of cash not yet invested by the Company in property assets or otherwise applied in respect of the Company's operating expenses entrusted from time to time by the Company for management by the Investment Manager pursuant to the terms and conditions of the Investment Management Agreement with the aim of preserving the capital value of such assets. Subject to the Company providing the Investment Manager reasonable notice when it requires the liquidation and/or transfer of a part of the entrusted assets in order to pursue the Investment Policy, the Company has given the Investment Manager full discretionary authority to invest in various types of financial instruments in Sterling including cash deposits, term deposits, depositary bonds, fixed rate depositary bonds, commercial paper, treasuries, bonds with short term to maturity and government securities as well as floating rate notes and other money market instruments. See paragraph 11.3 of Part 13 for a summary of the Investment Management Agreement.

The Company hedges its interest rate exposure through the use of forward contracts, options, swaps or other forms of derivative instruments.

The hedging policy of the Company is reviewed by the Board and the Investment Manager on a regular basis to ensure that the risks associated with the Group's investments are being appropriately managed. Any transactions carried out will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative reasons.

9. Valuation policy

The Net Asset Value (and Net Asset Value per Share) will continue to be calculated half yearly by the Administrator on behalf of the Company. Calculations will be at fair value as determined by the Administrator on the basis of market value in accordance with the internationally accepted RICS Appraisal and Valuation Standards. Consistent with other listed European real estate investment companies, the Directors follow the guidance published by EPRA and disclose adjusted measures of Net Asset Value (and Net Asset Value per Share) which are designed by EPRA to reflect better the core long term operations of the business. Details of each semi-annual valuation, and of any suspension in the making of such valuations, will be announced by the Company through an RIS as soon as practicable after the end of the relevant six month period. The semi-annual valuations of the Net Asset Value (and Net Asset Value per Share) will be calculated on the basis of the most recent annual independent valuation of the Group's properties and any other assets or most recent semi-annual desktop valuation. In addition, such valuations and calculations may also be carried out in case of an increase or decrease of the capital by the Company.

The calculation of the Net Asset Value (and Net Asset Value per Share) will only be suspended in circumstances where the underlying data necessary to value the investments of the Group cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through an RIS as soon as practicable after any such suspension occurs.

The last Net Asset Value valuation was conducted as at 31 December 2018.

10. Dividend policy

The Directors maintain a dividend policy which has due regard to sustainable levels of dividend cover and reflects the Directors' view on the outlook for sustainable recurring earnings, subject to compliance with REIT status requirements. The Directors intend to reinvest proceeds from disposals of assets in accordance with the Investment Policy.

Currently, the Company pays dividends on a quarterly basis with dividends declared in February, May, August and November in each year and paid as soon as practicable thereafter. The Company intends to pursue a progressive dividend policy and its quarterly dividends provide a source of regular income for Shareholders, thus improving their cashflow return profile.

For the purposes of determining the profits available for a dividend distribution, the Company will choose to treat all of its net income from the Property Business as qualifying property income, notwithstanding that the Company accounts for both property income and interest income.

The payment and level of dividends will always remain subject to the Company's performance, its financial position, the business outlook and to market conditions.

It is the Company's intention to continue to declare and pay dividends on a quarterly basis. The dividends for the first, second and third quarters of any specific financial year are expected to be declared at or near the same level on a pence per share basis (if necessary, as adjusted for any capital raising, consolidation or split). The fourth-quarter dividend in relation to that same financial year will be declared to at least manage compliance with the REIT distribution.

The Company has the ability, by Ordinary Resolution, to offer Shareholders the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend (a scrip dividend).

The Directors believe that the ability for Shareholders to elect to receive future dividends from the Company wholly or partly in the form of new Ordinary Shares rather than cash is likely to benefit both the Company and certain Shareholders. The Company will benefit from the ability to retain cash which would otherwise be paid as dividends. To the extent that a scrip dividend alternative is offered in respect of any future dividend, Shareholders will be able to increase their Shareholdings without incurring dealing costs. The decision whether to offer such a scrip dividend alternative in respect of any dividend will be made by the Directors at the time the relevant dividend is declared and must be authorised by an Ordinary Resolution of the Company.

In order to maintain REIT status, the Company will be required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute at least 90 per cent. of the income profits of the Property Business for each accounting period, as adjusted for tax purposes. Further details of the tax treatment of an investment in the Company are set out in Parts 11 and 12 of this document.

Investors should note that the figures in relation to dividends and yields set out above and elsewhere in this document are for illustrative purposes only, are based on current market conditions and are not intended to be, and should not be taken as, a profit forecast or estimate. Actual returns cannot be predicted and may differ materially from these illustrative figures. There can be no assurance that they will be met or that any dividend or yield will be achieved.

11. Structure as a United Kingdom Real Estate Investment Trust

As a REIT, the Group has a tax efficient corporate structure with the consequences for Shareholders described in Part 11 of this document. Provided certain conditions and tests are satisfied, as a REIT, the Group will not pay United Kingdom corporation taxes on its profits or gains derived from its property rental business. These conditions and tests are discussed in Part 11 of this document.

PART 8

DIRECTORS, MANAGERS AND CORPORATE GOVERNANCE

1. Directors

The Board currently comprises six non-executive Directors. The Directors are as follows:

<i>Name</i>	<i>Position</i>	<i>Date appointed to the Board</i>
Kevin McGrath	Chairman	16 October 2015
William Eason	Senior Independent Non-executive Director	16 October 2015
Stephen Inglis	Non-executive Director	16 October 2015
Daniel Taylor	Independent Non-executive Director	16 October 2015
Tim Bee	Non-executive Director	7 July 2017
Frances Daley	Independent Non-executive Director	1 February 2018

The business address of the Directors is 7th Floor, 90 Long Acre, London WC2E 9RA. The management expertise and experience of each of the Directors is set out below.

Kevin McGrath DL OBE

Kevin McGrath is Chairman of M&M Property Asset Management having previously been Managing Director and Senior Adviser of F&C REIT Asset Management. Prior to F&C REIT, Kevin was a founding equity partner in REIT Asset Management, a property investment, finance and asset management partnership, which managed a global commercial property portfolio and had offices in London, Munich, Tel Aviv, Stockholm and Mumbai.

Prior to REIT Asset Management, Kevin was a Senior Investment Surveyor with Hermes Investment Management, the fund manager for British Telecommunications and Post Office Pension Schemes. Before that he worked for various local authorities in a variety of property related positions and prior to that he worked in manufacturing and banking.

Kevin graduated from the Polytechnic of the South Bank with a BSc (Distinction) in Estate Management. He also obtained a post graduate diploma in Property Investment (Award Winner) from the College of Estate Management.

He was the High Sheriff for Greater London in 2014/15 and is the Representative Deputy Lieutenant for the London Borough of Hammersmith and Fulham.

Kevin is a chartered surveyor who has worked in the property industry for over 35 years, is a member of the Royal Institute of Chartered Surveyors, and the Worshipful Company of Chartered Surveyors and is a Freeman of the City of London. He is a Trustee of several charities including The Old Vic and The Clink Prison Restaurant Charity.

William Eason

William (“**Bill**”) Eason was previously Head of Charities with Quilter Cheviot and, before that, with Laing & Cruickshank. He had managed diversified high net worth portfolios since 1973 and became a Member of the London Stock Exchange in 1976. Bill was Chief Investment Officer at Laing & Cruickshank Investment Management and is a former Chairman of Henderson High Income Trust plc. Bill is currently a Director of Henderson International Income Trust plc, The European Investment Trust plc and of Institutional Protection Services Ltd. He is an Associate of the Society of Investment Professionals and a Chartered Fellow of the Chartered Institute for Securities and Investment. Amongst his charitable roles Bill has acted as a Governor of Henley Management School and is currently a Trustee of Marshall’s Charity, The Gordon Foundation, the John Hampden Fund and a Business Fellow of Gray’s Inn.

Tim Bee

Please refer to Tim Bee's biography in paragraph 4.2 of this Part 8.

Stephen Inglis

Please refer to Stephen Inglis' biography in paragraph 3.2 of this Part 8.

Daniel Taylor

Daniel ("**Dan**") Taylor is the Chairman of Westchester Capital Limited, an investment and advisory firm specialising in real estate. Dan currently holds the role of Managing Partner of Bourne Office Space Limited, a privately held serviced office business based in London, in which Westchester Capital is a principal investor. From 2011 to 2015 Dan was Chairman and a principal shareholder of AIM-listed Avanta Serviced Office Group plc, then the UK's second largest serviced office provider. Prior to this he was Managing Director of financier Grosvenor Park Media, Inc. for whom he managed a US\$400m investment joint venture with Fortress Investment Group LLC providing finance to the media industry. From 1989 to 1999 Dan was President and founder of Victoria Asset Management Inc., an investment company in Houston, Texas specialising in distressed real estate assets. Dan started his professional career as a financial analyst with Bank of America in San Francisco, and then as Vice President at First Boston Inc., in charge of the institutional equity division based in London.

Dan has held directorships for various private and listed companies involving investment management, corporate finance and corporate governance roles. He has been registered with the FCA as an investment manager (CF30) and CF1-Director and has over the last 20 years held the following controlled functions at FCA (or predecessor) authorised firms: CF10-Compliance Oversight; CF11-Money Laundering Reporting; CF21-Investment Advisor; and CF27-Investment Management. Dan graduated from Stanford University in 1980.

Frances Daley

Frances Daley is a Chartered Accountant who qualified with a predecessor firm to Ernst & Young LLP. She subsequently spent nine years in corporate finance with Royal Bank of Canada and Ernst & Young, followed by 18 years in various chief financial officer roles, principally in the licensed retail sector (10 years) and in healthcare. From 2007 to 2012 she was group finance director of the private equity backed Lifeways Group, the UK's largest provider of specialist support to adults with learning disabilities and mental health needs.

Frances is a non-executive director of Henderson Opportunities Trust PLC and chair of Baring Emerging Europe PLC. She is also chair of Haven House Children's Hospice and chair of James Allen's Girls' School.

Frances graduated from Cambridge University in 1980 with a degree in Land Economy.

2. Directors' interests

Conflicts

The Directors 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 Directors may provide advice or other services to, or be otherwise involved in, a number of funds or companies that may have similar investment policies to that of the Company. It is, therefore, possible that a Director may have potential conflicts of interest with the Company.

In cases where an actual or potential conflict does arise, the Director concerned must ensure that he discloses the interest in the existing or proposed transaction to the Company at the first possible board meeting and subsequently receives the approval of the Company.

The Directors shall at all times have regard in such event to their obligations to the Company (under their NED Appointment Letter as a director or otherwise) to act in the best interests of the Company, having regard to their obligations to other clients, when undertaking any activity where conflicts of interest may arise and the Director concerned will endeavour to resolve such conflicts fairly.

3. Asset Manager

3.1 Overview

The Asset Management Agreement was assigned to the Asset Manager on 3 May 2019. The Asset Manager is a privately-owned property investment management company. It was incorporated on 20 September 2018 and currently employs 52 people. It is managed by a multi-disciplinary team of executive directors, with the management team detailed below having over 100 years' experience in the real estate sector between them. Its executive directors have day to day involvement in all current and future projects of the Asset Manager and have a proven track record of adding value to property portfolios through intensive property management, focusing on income generation.

In its capacity as asset manager, the Asset Manager is responsible for the property management of the Property Portfolio, including identifying and evaluating investment opportunities in property for the Group, the collection of rent, negotiating longer leases and the removal of tenant break options, instructing agents to re-let the premises at lease expiry and, where appropriate, managing refurbishments to increase rental income or capital values, in each case, subject to the overall control and supervision of the Directors.

3.2 The management team

The key personnel of the Asset Manager who are responsible for managing the Property Portfolio are:

Stephen Inglis is the chief executive officer of the Asset Manager. He has over 30 years' experience in the commercial property market, the majority of which has been working in the investment and development sector. His career to date has been split between London and Scotland giving him extensive knowledge of the UK property market. He is a chartered surveyor and became a member of RICS in 2001 and is also a member of the Investment Property Forum.

He has, since June 2013, acquired or sold approximately 250 assets in deals totalling in excess of approximately £1.2 billion. He is a non-executive director.

Derek McDonald is managing director of the Asset Manager. Derek spent 27 years at Bank of Scotland/Lloyds Banking Group in a variety of senior roles in corporate banking, including time in the bank's corporate banking business in the US, the UK real estate joint ventures business, the European real estate business, the UK business support unit and the Irish business support unit, which both dealt with high value real estate lending. He has led a significant number of high value transactions at both REVCAP and Lloyds Banking Group and has also had line responsibility for large teams of professionals. He has significant experience in building and leading multi-jurisdictional businesses. Mr McDonald has been a Member of the Chartered Institute of Bankers in Scotland since 1990.

Andrew MacGilp is the director of commercial property at the Asset Manager. He has been involved in the field of commercial property and asset management since the early 1990s, having worked for British Rail, Glasgow City Council and McNeil Properties. These roles provided experience in property markets throughout the UK. Mr MacGilp joined Credential Group in 2003. Prior to that, he had worked at CBRE since 1994 where he was responsible for the management of a large number of clients, including Credential Group. He is responsible for the pro-active management of the Property Portfolio, overseeing an in-house team undertaking all property, financial and asset management roles in connection with the Property Portfolio.

Simon Marriott is investment director of the Asset Manager. Simon has over 30 years' experience in the property industry sourcing, transacting and asset managing, most recently at Cromwell Property Group where he was Head of Investments and UK Real Estate. Prior to Cromwell, Simon held a number of senior roles including Director Real Estate transactions at PwC, Senior Vice President Managing Director Investments at Oxford Properties and Head of Separate Accounts at Invista REIM, managing funds with assets under management of over £2.5 billion. He holds a BSc Estate Management and is a chartered surveyor (elected a member of RICS in 1992) and is also a member of the Investment Property Forum.

3.3 **Track Record**

The management team of the Asset Manager has undertaken approximately 68 deals comprising the purchase of approximately 162 properties. All management and property management is undertaken in-house by the Asset Manager, together with all financial management relating to the running of the properties and portfolios.

3.4 **Asset Management Agreement**

Pursuant to the terms of the Asset Management Agreement, the Asset Manager is responsible for the property management of the Property Portfolio, undertaking tasks such as identifying and evaluating investment opportunities in property for the Group, the collection of rent, negotiating longer leases and the removal of tenant break options, instructing agents to re-let the premises at lease expiry and, where appropriate, managing refurbishments to increase rental income or capital values, in each case, subject to the overall control and supervision of the Board or the boards of directors of Midco or any special purpose vehicle incorporated in order to acquire property (“**SPV**”) (as relevant). The Asset Manager also advises the Company, Midco and the SPVs on the acquisition, management and disposal of the real estate assets in the Property Portfolio.

Further details of the Asset Management Agreement are set out in paragraph 11.2 of Part 13.

3.5 **Conflicts of interest – Asset Manager and its management team**

The Asset Manager may from time to time act as distributor, promoter, manager, asset manager, registrar, transfer agent, administrator, external valuer, trustee, distributor; or director, or be otherwise involved in, other collective investment schemes which have similar investment objectives to that of the Company or may otherwise provide property management or ancillary administration or property advisory, services to investors with similar investment objectives to that of the Company. It is, therefore, possible that any of it may, in the course of its business, have potential conflicts of interests with the Company. The Asset Manager will at all times have regard in such event to its obligations to act in the best interests of the Shareholders so far as practicable, having regard to its obligations to other clients, when undertaking any investments where conflicts of interests may arise and it will endeavour to resolve such conflicts fairly.

The Asset Manager is required to offer all opportunities available to it to acquire property assets, which in the Asset Manager’s good faith judgement (having consulted with the Investment Manager) fall within the Investment Policy, first to the Company. If any such opportunity is refused by the Board, the Asset Manager may allocate such opportunities as it deems appropriate.

The Asset Manager may recommend the purchase and sale of Portfolio Interests by or from the Asset Manager or any of its associates from or to one or more SPVs provided that the transaction is carried out on normal commercial terms, negotiated at arms’ length, and is consistent with the best interests of the Company and the relevant SPV and provided the Asset Manager has disclosed to the Investment Manager, the Board and the relevant SPV the nature of its or its associates’ interest and such recommendation has been approved in advance by the Investment Manager.

The Directors believe that the fees, commissions and compensation payable to the Asset Manager are consistent with normal market rates for investment funds of a similar type to the Company.

The Directors will seek to ensure that any conflict of interest is resolved fairly and in the interests of the Company.

3.6 **Other directorships and partnerships**

Stephen Inglis, Derek McDonald and Andrew MacGilp act as directors of other funds or entities managed by the Asset Manager.

4. The Investment Manager

4.1 Overview

The Investment Manager is part of a UK-based investment management group that was founded in 2000 by Martin Hughes, the Investment Manager's chief executive. The Investment Manager itself was incorporated in England and Wales on 13 June 2006 and was authorised by the Financial Services Authority, now the Financial Conduct Authority, to conduct investment business on 31 October 2006. The Investment Manager is currently authorised by the FCA for the purposes of the AIFM Directive and FCA rules as a "full-scope" UK AIFM with a Part 4A permission to manage AIFs such as the Company. The Investment Manager is also registered as an investment adviser with the U.S. Securities and Exchange Commission (the "SEC") under the US Advisers Act.

The Investment Manager was incorporated under the name of Toscafund Asset Management LLP, with registered number OC320318 as a limited liability partnership under the Limited Liability Partnerships Act 2000. The principal legislation under which the Investment Manager operates is the Limited Liability Partnerships Act 2000 and the regulations made thereunder. The Investment Manager's registered office and its principal place of business is at 7th Floor, 90 Long Acre, London WC2E 9RA (telephone number: +44 (0) 20 7845 6100). The Investment Manager is domiciled in the United Kingdom.

In its capacity as the AIFM, the Investment Manager is responsible for the provision of certain AIFM services to the Company and also provides certain other management services to Midco and the SPVs. In relation to the Company, the Investment Manager is responsible for discretionary portfolio management (including taking investment decisions on behalf of the Company, identifying and evaluating and negotiating investment opportunities and realisations and, where applicable, participating in the management and control of the businesses or assets acquired), risk management (as required to identify, manage, measure and monitor, as appropriate, all risks to the Company's investment strategy and to which the Company may be exposed) and valuation services relating to the Company's Property Portfolio, in each case pursuant to the AIFM Directive. In relation to Midco and the SPVs, the Investment Manager is responsible for, amongst other things, the provision of treasury services (in relation to hedging, borrowing and cash management) and ensuring regulatory compliance.

4.2 The management team

Tim Bee is the Investment Manager's chief legal counsel. He joined the Investment Manager in May 2014 having previously been a corporate partner at two leading London based law firms where he advised on a wide range of transactions for public and private companies, financial institutions and fund managers. He qualified as a solicitor in 1988 and has extensive experience in mergers and acquisitions, equity capital markets and financial services.

Adam Dickinson joined the Investment Manager in September 2008 and is an executive in the Operations Team. He previously held a number of senior finance positions at two leading European investment banks, and was the finance manager at Christie's Auction House, London, where he qualified as an accountant in 1998.

4.3 Track Record

The Investment Manager has an established track record in launching well-timed, opportunistic products with high returns. Strong attention is paid to bottom-up research and capital is deployed on investment merit with little or no concern for fashion. The result is a strong track record of risk-adjusted returns across a number of asset classes, including commercial property where the manager has been active since early 2013 in conjunction with its chosen partner, the Asset Manager.

4.4 Investment Management Agreement

Pursuant to the terms of the Investment Management Agreement, the Investment Manager provides such services to the Company as are required to be carried out by an AIFM under the AIFM Directive (subject to the investment objective of the Company, the Investment Policy and

the overall supervision of the Board) and certain other services to Midco and the SPVs (subject to the overall supervision of the boards of the entity to which the particular services are provided).

Further details of the Investment Management Agreement are set out in paragraph 11.3 of Part 13 of this document.

4.5 Professional liability

The Investment Manager maintains an adequate level of capital to enable it to cover potential professional liability risks arising out of or resulting from the activities it may undertake in complying with its obligations as AIFM under the AIFM Directive.

4.6 Conflicts of interest

The Investment Manager may from time to time act as distributor, promoter, manager, investment manager, investment advisor to, or be otherwise involved in, other collective investment schemes which have a similar investment objective to that of the Company or may otherwise provide discretionary fund management or ancillary administration or advisory services to investors with a similar investment objective to that of the Company. It is, therefore, possible that it may, in the course of its business, have potential conflicts of interests with the Company. The Investment Manager will at all times have regard in such event to its obligations to act in the best interests of the Shareholders so far as practicable, having regard to its obligations to other clients, when undertaking any investments where conflicts of interests may arise and it will endeavour to resolve such conflicts fairly.

The Investment Manager is required to offer all opportunities available to it to acquire property assets, which in the Investment Manager's good faith judgement fall within the Investment Policy, first to the Company. If any such opportunity is refused by the Board, the Investment Manager may allocate such opportunities as it deems appropriate.

The Company has been established and promoted by the Directors and the Investment Manager. However, the Directors believe that the fees, commissions and compensation payable to the Investment Manager are consistent with normal market rates for investment funds of a similar type to the Company.

The Directors will seek to ensure that any conflict of interest is resolved fairly and in the interests of the Company.

5. Administrator

The Administrator has been appointed as administrator to the Company pursuant to the terms of the Administration Agreement (further details of which are set out in paragraph 11.6 of Part 13 of this document). In such capacity the Administrator is responsible for the day to day administration of the Company. For the purposes of the RCIS Rules, the Administrator will be the designated administrator of the Company. The Administrator is licensed by the GFSC under the POI Law to provide administration services.

The Administrator has delegated certain of its services under the Administration Agreement to Link Alternative Fund Administrators.

6. Secretary

The Company Secretary has been appointed as company secretary to the Company pursuant to the terms of the Company Secretary Agreement (further details of which are set out in paragraph 11.7 of Part 13 of this document) to provide general company secretarial services to the Company (including, but not limited to, maintenance of the Company's statutory records).

7. Registrar

The Registrar has been appointed to provide registrar services to the Company pursuant to the terms of the Registrar Agreement (further details of which are set out in paragraph 11.8 of Part 13 of this document). Under the Registrar Agreement the Registrar has responsibility for maintaining the register

of Shareholders, receiving transfers of Ordinary Shares for certification and registration and receiving and registering Shareholders' dividend payments together with related services.

8. Depositary

The Depositary has been appointed as Depositary to the Company pursuant to the terms of the Depositary Agreement (further details of which are set out in paragraph 11.10 of Part 13 of this document).

9. Corporate governance

9.1 General

The Listing Rules require that the Directors must “**comply or explain**” against the UK Corporate Governance Code. In addition the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the corporate governance code to which it is subject or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements. The Board has agreed to comply with the AIC Code produced by the AIC, except as set out below. The FRC has confirmed that compliance with the AIC Code would satisfy an investment company's obligations to comply with the UK Corporate Governance Code.

The GFSC's “**Finance Sector Code of Corporate Governance**” (the “**GFSC Code**”) applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes, which includes the Company. Companies which report against the AIC Code are deemed to meet the requirements of the GFSC Code.

The Directors recognise the value of the AIC Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company's size and nature of business, with the AIC Code. Save as set out below, the Company currently complies, and will continue to comply, with the AIC Code and associated disclosure requirements of the Listing Rules.

There is no chief executive. As an investment company, all the Directors are non-executive and the Company has no employees. The Chairman also chairs the Management Engagement and Remuneration Committee. There are no other instances of non-compliance with the AIC Code by the Company as at the date of this document.

9.2 The Board

The Board consists of six non-executive Directors. A majority, comprising Kevin McGrath, William Eason, Daniel Taylor and Frances Daley, are considered by the Board to be independent of the Asset Manager and the Investment 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 are provided with an induction from the Company Secretary on joining the Board. Directors receive other relevant information on ongoing obligations as necessary.

No individual or group of individuals dominates the Board's decision making process.

10. Committees

The Board has established the following committees:

10.1 The Audit Committee

The Audit Committee comprises the independent non-executive directors and is chaired by Frances Daley. The Audit Committee has responsibility for, amongst other things, the planning and review of the Group's annual report and accounts and half-yearly reports and the involvement of the Group's auditors in the process. The committee focuses in particular on compliance with legal requirements, accounting standards and the Listing Rules and on ensuring that an effective system of internal financial control is maintained. The Audit Committee also

reviews the objectivity of the Group's auditors and the terms under which the Group's auditors are appointed to perform non-audit services.

The terms of reference of the Audit Committee cover such issues as committee membership, frequency of meetings (as mentioned below), quorum requirements and the right to attend meetings. The responsibilities of the Audit Committee covered in the terms of reference relate to the following: external audit, internal audit, financial reporting, internal controls and risk management. The terms of reference also set out reporting responsibilities and the authority of the committee to carry out its responsibilities.

The Audit Committee normally meets not less than twice a year and at the appropriate times in the reporting and audit cycle and at such other times as the Chairman shall require.

10.2 ***The Management Engagement and Remuneration Committee***

The Management Engagement and Remuneration Committee comprises the independent non-executive directors. The Management Engagement and Remuneration Committee is chaired by William Eason who is responsible for reviewing the appropriateness of the continuing appointment of the Asset Manager and the Investment Manager together with the terms and conditions of the Investment Manager's and Asset Manager's continuing appointment on a regular basis. The Management Engagement and Remuneration Committee meets as necessary and otherwise at least once a year.

The terms of reference of the Management Engagement and Remuneration Committee cover such issues as committee membership, frequency of meetings (as mentioned above), quorum requirements and the right to attend meetings. The responsibilities of the Management Engagement and Remuneration Committee covered in its terms of reference relate to the following: monitoring the relationship with the Managers, determining and monitoring policy on and setting levels of remuneration, early termination, performance-related pay, authorising claims for expenses, reporting and disclosure and remuneration consultants. The terms of reference also set out reporting responsibilities and the authority of the committee to carry out its responsibilities.

The recommendations of the AIC Code under principle 5 state that the Chairman may be a member of, but not chair, the Management Engagement and Remuneration Committee. Having taken account of the size of the Board and the remit of the Management Engagement and Remuneration Committee, the Board believes that the Chairman remains the most suitable Director to chair the Management Engagement and Remuneration Committee. The remuneration of the Chairman will be considered by the Management Engagement and Remuneration Committee in his absence.

PART 9

THE PROPERTY PORTFOLIO

1. Summary of the Property Portfolio

The Company acquired the Initial Property Portfolio on 6 November 2015. The Initial Portfolio was valued at £386 million and was comprised of 128 properties, 517 tenants and 713 units. Since that date, the Company has acquired a number of properties, principally by way of portfolio purchases in 2016, 2017 and 2018, and has also disposed of several of them.

As at the date of this document, the Property Portfolio is spread across 149 properties consisting of 1,184 individual units with a total of 835 tenants, which were valued at 14 June 2019 at £721.2 million in aggregate, with an annualised gross rental income of £58.2 million per annum reflecting a yield of 6.1 per cent. on a weighted average unexpired lease term of 5.4 years (3.4 years to first break). As at the date of this document there has been no material change to the Property Portfolio since 14 June 2019.

2. Details of the Property Portfolio (Tables in this section may not sum due to rounding)

2.1 Property portfolio by business segment (as at the date of this document)

<i>Business segment</i>	<i>Properties (no.)</i>	<i>Market values (£m)*</i>	<i>EPRA Occupancy (%)</i>	<i>Lettable area (million sq. ft.)</i>	<i>Annualised gross rental income (£m)</i>
Office	106	564.6	87.7	4.4	45.6
Industrial	16	103.0	94.8	2.1	6.8
Retail	25	43.4	92.9	0.5	5.0
Other	2	10.2	95.0	0.1	0.7
Total	149	721.2	88.9	7.2	58.2

*as at 14 June 2019

2.2 Property portfolio by geography (as at the date of this document)

<i>Regional segment</i>	<i>Properties (no.)</i>	<i>Market values (£m)*</i>	<i>EPRA Occupancy (%)</i>	<i>Lettable area (million sq. ft.)</i>	<i>Annualised gross rental income (£m)</i>
Scotland	40	125.9	81.8	1.7	11.4
South East	30	209.8	93.2	1.5	16.4
North East	20	80.6	88.5	0.9	6.7
Midlands	31	134.7	90.9	1.4	10.9
North West	14	78.9	86.3	0.9	5.3
South West	12	71.8	92.8	0.4	5.8
Wales	2	19.5	87.9	0.2	1.6
Total	149	721.2	88.9	7.2	58.2

*as at 14 June 2019

2.3 Gross rental income by business segment (as at the date of this document)

<i>Business segment</i>	<i>Annualised gross rental income (£m)</i>	<i>Average rent per sq. ft.</i>	<i>WAULT* (to break) (years)</i>	<i>ERV (£m)</i>
Office	45.6	12.73	3.0	57.5
Industrial	6.8	3.75	5.9	8.6
Retail	5.0	10.52	3.6	4.4
Other	0.7	9.85	7.9	1.0
Total	58.2	9.76	3.4	71.4

**"WAULT" means weighted average unexpired lease term.

2.4 **Gross rental income by geography (as at the date of this document)**

<i>Regional segment</i>	<i>Annualised gross rental income (£m)</i>	<i>Average rent per sq. ft.</i>	<i>WAULT* (to break) (years)</i>	<i>ERV (£m)</i>
Scotland	11.4	8.81	3.3	14.5
South East	16.4	11.69	3.0	18.9
North East	6.7	8.41	3.0	8.5
Midlands	10.9	9.40	3.2	12.3
North West	5.3	7.38	5.4	8.4
South West	5.8	15.07	3.3	6.9
Wales	1.6	8.36	6.1	1.8
Total	58.2	9.76	3.4	71.4

*"WAULT" means weighted average unexpired lease term.

2.5 **Top 15 investments by market value (as at the date of this document)**

<i>Property</i>	<i>Anchor tenants</i>	<i>Market value (£m)*</i>	<i>Lettable area (sq. ft.)</i>	<i>Annualised gross rental income (£m)</i>	<i>% of Property Portfolio</i>	<i>WAULT (to first break) (years)</i>
Tay House, Glasgow	Barclays Execution Services Ltd, University of Glasgow	32.9	156,853	2.7	4.6%	3.0
Juniper Park, Basildon	Schenker Ltd, A Share & Sons Ltd, Vanguard Logistics Services Ltd	29.0	277,228	2.0	4.0%	1.8
Genesis Business Park, Woking	Nuvias (UK & Ireland) Ltd, Alpha Assembly Solutions UK Ltd, McCarthy & Stone retirement Lifestyles Ltd	25.4	98,359	1.9	3.5%	2.3
Buildings 2 & 3 HBOS Campus, Aylesbury	Bank Of Scotland Plc, The Equitable Life Assurance Society, Agria Pet Insurance Ltd	24.9	140,676	2.3	3.4%	3.9
Norfolk House, Birmingham Hampshire	Sec of State for Communities & Local Govt, Spark44 Ltd Aviva Health UK Ltd,	20.1	114,982	1.7	2.8%	2.1
Corporate Park, Eastleigh	National Westminster Bank Plc, Digital Wholesale Solutions Ltd, Utilita Energy Ltd	19.7	85,422	1.7	2.7%	1.2
800 Aztec West, Bristol	Edvance SAS, The Secretary of State for Defence	18.4	73,292	1.3	2.6%	3.8
One & Two Newstead Court, Annesley	E.ON UK Plc	16.4	146,262	1.4	2.3%	4.5
Road 4 Winsford Industrial Estate, Winsford	Jiffy Packaging Ltd	15.7	246,209	1.0	2.2%	15.3

<i>Property</i>	<i>Anchor tenants</i>	<i>Market value (£m)*</i>	<i>Lettable area (sq. ft.)</i>	<i>Annualised</i>	<i>% of Property Portfolio</i>	<i>WAULT (to first break) (years)</i>
				<i>gross rental income (£m)</i>		
9 Portland Street, Manchester	New College Manchester Ltd, Mott MacDonald Ltd, Darwin Loan Solutions Ltd	14.5	54,959	0.8	2.0%	2.1
Ashby Park, Ashby De La Zouch	Ceva Logistics Ltd, Hill Rom UK Ltd, Alstom Power Ltd	13.6	91,034	1.1	1.9%	1.4
Columbus House, Coventry	TUI Northern Europe Ltd	13.5	53,253	1.4	1.9%	4.6
Templeton On The Green, Glasgow	The Scottish Ministers, The Scottish Sports Council, Heidi Beers Ltd, Fore Digital Ltd	11.1	141,320	1.2	1.5%	4.0
Oakland House, Manchester	HSS Hire Service Group Ltd, Please Hold (UK) Ltd, CVS (Commercial Valuers & Surveyors) Ltd, Rentsmart Ltd	10.8	155,484	1.0	1.5%	4.1
1-4 Llansamlet Retail Park, Swansea	Wren Living Ltd, Steinhoff UK Group Property Ltd, A Share & Sons Ltd	10.5	71,615	1.1	1.4%	3.7

*as at 14 June 2019

2.6 Breakdown of the key sector exposures

Office portfolio

The office portfolio consists of 931 units amounting to 4.4 million square feet of UK regional office property, with low average rents of £12.73 per square foot and a capital value of only £129.26 per square foot. EPRA Occupancy is 87.7 per cent. The portfolio is well located in the UK's principal regional markets to benefit from the up-tick in UK regional office demand. The office portfolio generates a net initial yield after voids and irrevocable costs and including purchasers' costs of 6 per cent. The largest single office asset is Tay House, Glasgow, valued at £32.9 million, 4.6 per cent. of the gross investment portfolio. Major tenants across the office portfolio include: Barclays Execution Services, Secretary of State for Communities and Local Government, E.ON UK, TUI Northern Europe, The Scottish Ministers, Bank of Scotland The Royal Bank of Scotland, Aviva Health UK, SPD Development, Fluor, The Secretary of State for Transport, Edvance SAS and Lloyds Bank.

The principal regional office exposures are as follows:

<i>Location</i>	<i>% of office portfolio by value</i>
Birmingham	4.4%
Bristol	5.5%
Edinburgh	2.3%
Glasgow	10.4%
Leeds	5.6%
Manchester	4.5%
Total Big 6 regional office markets	32.8%
South East	28.3%
Other	71.7%

Industrial sites portfolio

The industrial portfolio consists of 106 units covering 2.1 million square feet of UK industrial property, with low average rents of £3.75 per square foot and a capital value of only £48.11 per square foot. EPRA Occupancy is 94.8 per cent. The industrial portfolio generates a net initial yield after voids and irrevocable costs and including purchasers' costs of 4.9 per cent. The largest single industrial asset is Juniper Park, Basildon, valued at £29 million, which represents 4 per cent. of the gross investment portfolio. Major tenants across the industrial portfolio include: Jiffy Packaging, Schenker, A Share & Sons, Liberty Aluminium Technologies, Simmonds Transport, Nestle Purina Petcare (UK), Vanguard Logistics Services and Control Group (UK).

Retail portfolio

The retail portfolio consists of 25 properties valued at £43.4 million. EPRA Occupancy is 92.9 per cent. The retail portfolio was largely acquired through the purchase of property portfolios and, over the longer-term, is non-core for the Company. The retail portfolio generates a net initial yield after voids and irrevocable costs and including purchasers' costs of 9.4 per cent. Major tenants across the retail portfolio include: Halfords, Wilkinson Hardware Stores, Wren Living, Poundland, Wilko Retail, A Share & Sons, Steinhoff UK Group, Carpetright, Tapi Carpets & Floors, The Gym Ltd, Rontec Service Station and Boots the Chemist.

2.7 Rental income security

As at the date of this document:

- the WAULT on the Property Portfolio is 5.4 years (31 December 2018: 5.4 years; 31 December 2017: 5.4 years);
- WAULT to first break is 3.4 years (31 December 2018: 3.4 years; 31 December 2017: 3.5 years);
- 13.5 per cent. (31 December 2018: 10.1 per cent.; 31 December 2017: 14.1 per cent.) of income was from leases which will expire within 1 year;
- 4.6 per cent. (31 December 2018: 4.4 per cent.; 31 December 2017: 10.4 per cent.) between 1 and 2 years;
- 35.2 per cent. (31 December 2018: 34.0 per cent.; 31 December 2017: 29.7 per cent.) between 2 and 5 years; and
- 46.7 per cent. (31 December 2018: 51.6 per cent.; 31 December 2017: 45.8 per cent.) after 5 years.

No single tenant accounts for more than 3 per cent. in aggregate of the gross rental income with the largest tenant being Barclays Execution Services Ltd, which occupies 78,044 sq. ft of space across the Property Portfolio and accounts for 2.8 per cent. of the gross rental income on a WAULT of 6.4 years to expiry (2.4 years to first break). The next largest tenant is the Bank of Scotland Plc, which occupies 92,978 sq. ft of space across the Property Portfolio and accounts for 2.5 per cent. of the gross rental income on a WAULT of 2.7 years (2.7 years to first break). The top 15 tenants by income represent a total of 26.9 per cent. of the gross rental income of the Property Portfolio.

2.8 Loan receivables from CIHL Group

On 28 November 2013, Toscafund Glasgow Limited acquired the CIHL Receivables in consideration for a payment of approximately £88 million. The CIHL Receivables are owed pursuant to a number of loan facilities and secured against a portfolio of real estate assets belonging to the CIHL Group.

The amount owed (including interest) by the CIHL Group pursuant to the CIHL Receivables as at 31 May 2019 was £42.4 million principal, together with £29.3 million interest.

The gross rental income received from the 17 properties within the CIHL Group in the year to 31 December 2018 was £5.3 million, which lead to cash contributions (after deducting voids and

other non-recoverable costs, administrative expenses and an allowance for capital expenditure, VAT and service charge) of £2.5 million.

Toscafund Glasgow Limited also has the benefit of a call option pursuant to an agreement dated 9 November 2018, pursuant to which it has the option to acquire properties of the CIHL Group at a price of £1.00 per property by giving one month's notice in writing. The properties within the CIHL Group that are included within the Property Portfolio and the Valuation Report are fully consolidated within the Group, for accounting purposes, whilst remaining within the CIHL Group.

3. The Valuation Report

The Appendix to this Part 9 contains a valuation report on the Property Portfolio prepared for the Company by the Valuer. All of the details on the Property Portfolio in this Part 9 are as at 14 June 2019.

No material changes have occurred since the date of valuation as set out in the Valuation Report. The Valuer is DTZ Debenham Tie Leung Limited (trading as Cushman & Wakefield) ("**Cushman & Wakefield**") (a private limited company incorporated in England under the Companies Act 1985 with registered number 02757768 on 16 October 1992). The Valuer's registered offices and principal places of business are set out in Part 4 of this document. Cushman & Wakefield has 180 qualified surveyors and support staff in 10 offices across the UK. The Valuer offers services in full compliance with the RICS Valuation Standards or equivalent local standards where required.

The Valuer has given and not withdrawn its written consent to the issue of this document, the Valuation Report and the inclusion herein of its name and the references to it in the form and context in which they appear.

The valuation of £721.2 million as of 14 June 2019 reflected an increase of £2.8 million from the valuation of £718.4 million as at 31 December 2018. Since 31 December 2018, the Company has completed the purchase of Norfolk House in Birmingham for £20 million (net of costs) and disposed of Aspect Court and Tokenspire Business Park for an aggregate of £19.9 million (before costs) at an aggregate £1.9 million (10.2 per cent.) premium to their 31 December 2018 valuation.

VALUATION RECORD

To:	Regional REIT Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Property:	The address, tenure and property type of each of the 165 properties (the “ Properties ”) is included in the Property Record section.	
Report date:	24/6/2019	
Valuation Date:	14/06/2019 (the “ Valuation Date ”)	
Our reference:	1915F700	

1. Instructions

1.1. Appointment

We are pleased to submit our report and valuation (the “**Valuation Report**”), which has been prepared in accordance with the engagement letter entered into between us dated 18 June 2019 (the “**Engagement Letter**”). The Engagement Letter and the terms set out therein, together with our Terms of Business, which were sent to you with our Engagement Letter, constitute the “**Engagement**”.

Included in the Engagement Letter is the Valuation Services Schedule, a shortened version of which is included as Appendix 1 (“**VSS**”). It is essential to understand that the contents of this Valuation Report are subject to the various matters we have assumed, which are referred to and confirmed as Assumptions in the Valuation Services Schedule. Unless otherwise defined, all capitalised terms herein shall be as defined in the Engagement.

We have valued the property interests in the Properties.

A list of the addresses of each of the properties in the portfolio together with a note of their tenure is included in the Appendices.

1.2. Compliance with RICS Valuation – Global Standards

We confirm that the valuation and Valuation Report have been prepared in accordance with the requirements of the RICS Valuation – Global Standards which incorporate the International Valuation Standards (“**IVS**”) and the RICS Valuation UK National Supplement (the “**RICS Red Book**”) edition current at the Valuation Date. It follows that the valuation is compliant with “**IVS**”.

1.3. Status of Valuer and Conflicts of Interest

We confirm that all valuers who have contributed to the valuation have complied with the requirements of PS 1 of the RICS Red Book. We confirm that we have sufficient current

knowledge of the relevant markets, and the skills and understanding to undertake the valuation competently. We confirm that Charles Smith MRICS has overall responsibility for the valuation and is in a position to provide an objective and unbiased valuation and is competent to undertake the valuation. Finally, we confirm that we have undertaken the valuation acting as an External Valuer as defined in the RICS Red Book.

We confirm that Cushman and Wakefield have current, anticipated and previous recent involvement with the Properties as follows:-

- C&W have provided Regulated Purpose Valuations as at 31 December 2015, 30 June 2016, 31 December 2016, 30 June 2017, 31 December 2017, 30 June 2018 and 31 December 2018.
- C&W have provided a valuation for inclusion in a shareholder circular and prospectus which is to be published by the Client, in connection with the issue of new ordinary shares for cash to fund, among others, the acquisition of the 'Newton' and 'Archimedes' Portfolios and associated shareholder resolution in December 2017.
- C&W have provided valuations for secured lending purposes on behalf of Bank of Scotland plc, comprising 53 assets as at 01 December 2017, 1 asset as at 17 May 2018, 2 assets as at 08 August 2018, and 19 assets as at 21 November 2018.
- C&W have valued a number of assets that sit within the overall portfolio for secured lending purposes on behalf of Sanne Fiduciary Services Limited.
- Colleagues in Birmingham advise the occupier of the first floor of Bennett House, Hanley, Stoke-on-Trent. As discussed, we will proceed with the valuation from our London office.
- The C&W Global Occupier Services department act for the tenants at the following assets, which form part of the valuation:
 - Calton House, Edinburgh (The Scottish Ministers (c/o The Scottish Prison Service))
 - Ground Floor, Tasman House, Clydebank (Clydesdale Bank plc)
- The C&W office agency department act for occupiers at the following assets, which form part of the valuation:
 - 800 Aztec West, Bristol
 - Equinox North, Bristol (Qualcomm)
- The C&W professional advisory services department act on behalf of one of the tenants within the following assets, which form part of the valuation:
 - Oakland House, Manchester (Ministry of Justice)
 - Genesis Business Park, Woking (Oracle Corporation UK Limited)
 - Festival Court, Glasgow (Secretary of State for Transport)
- The C&W Project Management department act on behalf of one of the tenants within the following assets, which form part of the valuation:
 - Genesis Business Park, Woking (Oracle Corporation UK Limited)
 - Lytham House, Warrington (Dassault Systems UK Limited)
 - Pagoda West, Swindon (Nokia UK Limited)
 - Mochdre Commercial Park, Colwyn Bay

We confirm that this factor has been discussed with the Client who has agreed for Cushman and Wakefield to act.

1.4. Purpose of Valuation

The purpose of this Valuation Report is in connection with the issue of new ordinary shares for cash and admission of those new ordinary shares to trading on the main market of the London Stock Exchange in respect of which the Valuation Report will be included in a prospectus (the “**Prospectus**”) or any supplementary prospectus which is to be published by the Company and for publication and reproduction within a circular for notice of extraordinary general meeting of the Company as required by the Listing Rules (the “**Circular**”) (the “**Purpose of Valuation**”).

Therefore, in accordance with PS 2.5 and UK VPS 3 we have made certain disclosures in connection with this valuation instruction and our relationship with you. These are included in item 1.5 below.

1.5. Disclosures required under the provisions of PS 2.5 and UK VPS 3

Charles Smith MRICS

Charles Smith MRICS has been the signatory of Valuation Reports provided to Regional REIT Limited for the annual Regulated Purpose Valuations for a continuous period since 2013. Cushman & Wakefield have been carrying out this valuation instruction for the Company for the same period. Charles was also the co-signatory of the Valuation Report for the original listing in 2015. This is the first instance that Charles has been signatory of a Valuation Report for the Purpose of Valuation.

C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals not exceeding seven years. C&W’s policy in this regard is explained in the VSS.

C&W’s relationship with the client

Please see Section 1.3 above.

Fee income from the Company/Fund

On 1 September 2015, DTZ acquired Cushman & Wakefield and the combined group now trades under the Cushman & Wakefield brand. Cushman & Wakefield’s financial year end is 31 December. We confirm that the proportion of fees payable by the Company/Fund to C&W in the financial year to 2018 was less than 5%. We anticipate that the proportion of fees for the financial year to 31 December 2019 will remain at less than 5%.

C&W involvement in the Properties in the previous 12 months

Cushman & Wakefield have not received an introductory fee within the last 12 months.

1.6. Inspection

The Properties have been inspected between 1 January 2018 and 14 June 2019. In accordance with the Terms of Business the Properties have not been re-inspected as part of this instruction. Your professional advisers (London & Scottish Property Investment Management Limited) have confirmed that no material changes to the physical attributes of the Properties or the areas in which they are situated have occurred since the previous inspection. Our valuations have therefore been prepared on the Assumption that there have been no such changes. It should be noted that if this assumption proves to be incorrect in relation to any asset or assets there may be a material impact on the values reported.

1.7. Floor areas

Unless specified otherwise, floor areas and analysis in this Valuation Report are based on the following bases of measurement, as defined in RICS Property Measurement (the edition current at the Valuation Date):

Office	NIA
Industrial	GIA
Retail	NIA/GIA
Residential	GIA

1.8. Accommodation

Source of Floor Areas

We adopted floor areas provided by the Company.

1.9. Sources of Information

In addition to information established by us, we have relied on the information obtained from you and others as referred to in this Valuation Report, and in particular in Appendix C, Sources of Information.

We have made the Assumption that the information provided by you and your professional advisers in respect of the Properties we have valued is both full and correct. We have made the further Assumption that details of all matters relevant to value within your and their collective knowledge, such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to us, and that such information is up to date.

2. Basis of valuation

Our opinion of the Market Value of the Properties has been primarily derived using comparable recent market transactions on arm's length terms.

Market Value

The value of the Properties has been assessed in accordance with the relevant parts of the current RICS Red Book. In particular, we have assessed Market Value as referred to in VPS 4 item 4 of the RICS Red Book and applying the conceptual framework which is set out in IVS 104. Under these provisions, the term "Market Value" means "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. Taxation and costs

We have not made any adjustment to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposal incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

We have made a deduction to reflect a purchaser's acquisition costs.

4. VAT

The Company has advised us that the Company has exercised its option to tax.

The capital valuations and rentals included in this Valuation Report are net of value added tax at the prevailing rate.

5. Property information

5.1. Enquiries

We have undertaken and completed the various matters referred to in the "Scope of Services" section of the VSS.

Save as referred to below, the results of our enquiries and inspections do not contradict the Assumptions which we have made and are referred to in the VSS.

6. Valuation Approach and Reasoning

- 6.1. Our opinion of the Market Value of the Properties has been primarily derived using comparable recent rental, land and investment market transactions on arm's length terms. We have adopted an investment method of valuation based on an income approach and adopted a suitable market capitalisation rate.

7. Valuation

We are of the opinion that the aggregate of the Market Values of each of the freehold and leasehold interests in the Properties, subject to the existing tenancies, as at the Valuation Date subject to the Assumptions and comments in this Report and the Appendices is:

£721,185,000 (Seven Hundred and Twenty-One Million, One Hundred and Eighty Five Thousand Pounds)

In arriving at our opinion of Market Value of the aggregate of the interests of the above properties of the portfolio, we have valued each property individually. As such, we have assumed that the properties would be marketed in an orderly way and not all placed on the market at the same time.

The difference between the valuation figure in this Valuation Report and the valuation as at 31 December 2018 in Part 10 of the Prospectus is due to the fact that (1) we have received updated tenancy and capital expenditure information; (2) we have reflected market changes that have occurred since the last set of valuations provided with a valuation date of 31 December 2018; and (3) the Company has made various acquisitions and disposals of property since 31 December 2018.

The aggregate Market Value of the Company's property portfolio as at 31 December 2018 was £718.4 million. In the period between 31 December 2018 and the Valuation Date, the Company acquired Norfolk House in Birmingham for £20 million (net of costs); disposed of the office

building known as Aspect Court, Pond Hill, Sheffield to Sheffield Hallam University for £8.8 million; and disposed of Tokenspire Business Park in Beverley for £11.1 million.

Material changes since the Valuation Date

We hereby confirm that, as at the date of this Valuation Report, there has been no material change since 14 June 2019 in any matter relating to the Properties which, in our opinion, would have a material effect on the Market Value of such Properties.

Aggregate Value Apportionment

The Aggregate Value was apportioned between Freehold and Leasehold property interests as at the Valuation Date as follows:

Tenure	No of Properties	Aggregate Market Value (£)
Freehold	137	£602,830,000
Long Leasehold (more than 50 years)	27	£118,355,000
TOTAL	165	£721,185,000

8. Confidentiality

The contents of this Valuation Report and appendices are confidential to you and for your sole use only, save as we have agreed that they may be disclosed in accordance with the Purpose of Valuation as stated.

9. Disclosure

Save as set out in the Engagement and for the Purpose of Valuation, or otherwise subject to our prior written consent, you must not disclose the contents of this Valuation Report to a third party in any way, including where we are not referred to by name or if the Valuation Report is to be combined with other reports, documents or information, without first obtaining our written approval to the form and context of the proposed disclosure in accordance with the terms of the Engagement. We will not approve any disclosure that does not refer adequately to the terms of the Engagement and any Special Assumptions or Departures that we have made.

Save as set out in the Engagement and for the Purpose of Valuation, this Valuation Report or any part of it may not be modified, altered (including altering the context in which the Valuation Report is displayed) or reproduced without our prior written consent. Any person who breaches this provision shall indemnify us against all claims, costs, losses and expenses that we may suffer as a result of such breach.

We hereby exclude all liability arising from use of and/or reliance on this Valuation Report by any person or persons except as otherwise set out in the terms of the Engagement and/or this Valuation Report.

10. Reliance

This Valuation Report may be relied upon only in connection with the Purpose of Valuation stated and only by:

- i. you;
- ii. any such other parties who have signed a Reliance Letter.

For the avoidance of doubt, the total aggregate limit of liability specified in the terms of the Engagement (the “Aggregate Cap”) shall apply in aggregate to (i) you and (ii) any such other parties who have signed a Reliance Letter. Apportionment of the Aggregate Cap shall be a matter for you and such other third parties alone.

Notwithstanding the foregoing and paragraphs 8 and 9 above, in accordance with the Engagement and for the purposes of Prospectus Rule 5.5.3(R)(2)(f), we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with Rule 13.3.(10) of the Listing Rules, Rule 5.6.5G of the Prospectus Rules and paragraphs 128 to 130 of CESR’s recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses no. 809/2004.

Except for any responsibility arising under Listing Rule 13.3.1(10) and Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent provided under the Listing Rules and the Prospectus Rules, 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 accordance with the Valuation Report or our statement set out above required by and given solely for the purposes of complying with Annex 1, item 23.1 of Commission Regulation (EC) No 809/2004.

Signed for and on behalf of Cushman & Wakefield Debenham Tie Leung Limited

Charles Smith MRICS

International Partner

RICS Registered Valuer

+44 (0)20 7152 5215

charles.h.smith@cushwake.com

APPENDIX A: VALUATION SERVICES SCHEDULE ("VSS")

1. Property Details

Appendix 1 includes the address, tenure and property type of each of the properties (the "Properties" or the "Portfolio") to be valued ("Property Schedule").

The Properties are held by Regional Reit Limited ("Company", together with Peel Hunt LLP, the "Client", and each a "Client Party").

"(i) Either Client Party may enforce the provisions of this Engagement and pursue those same rights under it in their own name, whether separately or together, but shall not have any individual rights which are different from those of the other.

ii) C&W shall not owe or have any greater obligations or liability, whether in scope, duration or indemnity, to the Client Parties collectively as the Client than C&W would have owed or had to either Client Party individually and C&W shall be entitled to rely on any limitation in this Engagement and to raise the equivalent rights in defence of liability or indemnity to each Client Party (both jointly and severally) as would have been available to the C&W against either Client Party individually.

iii) Each Client Party warrants to C&W that the interests of the Client in the Engagement and the Valuation are consistent and that there are not presently any existing conflicts between their respective interests that would interfere with the C&W's provision of the Services.

iv) For the purposes of this Engagement, C&W shall be entitled to treat any communication, instruction, consent or approval from a Client Party individually as being a valid and binding communication, instruction, consent or approval on behalf of and from the Client."

2. Addressee

The Valuation Report will be addressed to the Client (the "Addressee").

3. Client Instructions

The Client has instructed C&W to:

- 3.1 Undertake a valuation of the legal interests in the Properties described in the Property Schedule ("Valuation") as at 14 June 2019 (the "Valuation Date").
- 3.2 Provide a valuation report in the format referred to in the 'Scope of Services' section below ("Valuation Report") for the following purpose of valuation ("Purpose of Valuation"):
 - for inclusion in a prospectus (the "Prospectus") and circular (the "Circular") which are to be published by the Company in connection with the issue of New Ordinary Shares for cash which will be admitted to the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange (the "Listing").

4. Basis of Valuation

In accordance with the Client's instructions, C&W will undertake the Valuation on the following basis:

4.1 Market Value

Market Value as referred to in VPS4, Item 4 of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK

national supplement (the "RICS Red Book"), and applying the conceptual framework which is set out in IVS104:

"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"

4.2 Special Assumptions

The Glossary of the RICS Red Book states that an Assumption "that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date" is a Special Assumption.

As instructed, we have not made any Special Assumptions.

5. Scope of Services

Included in the Services are:

5.1 Floor Areas

Adopting floor areas provided to C&W for the purpose of the Valuation, (subject to the provisions of item 9.3 of the Assumptions).

5.2 Environmental Matters (including Flooding)

Reviewing the relevant Local Authority websites regarding environmental matters, including contamination and flooding (subject to the provisions of item 9.5 of the Assumptions). For the avoidance of doubt, C&W will not undertake an environmental assessment or prepare a land quality statement, which would be the responsibility of an environmental consultant or chartered environmental surveyor. In this respect, C&W will have regard to any environmental reports provided to C&W (subject to the provisions of item 9.5 of the Assumptions).

5.3 Title

Reading a Certificate of Title where this is provided to C&W and C&W will reflect its contents in the Valuation (subject to the provisions of item 9.7 of the Assumptions).

C&W will not inspect the title deeds of the Properties.

Unless agreed in writing in advance with the Client, C&W will not obtain information from the Land Registry.

5.4 Condition of Structure & Services, Deleterious Materials and Ground Conditions

Taking into account the general condition of the Properties as observed from the inspection (subject to item 9.8 of the Assumptions). Where a separate condition or structural survey has been undertaken and made available to C&W, C&W will reflect the contents of the survey or condition report in the Valuation Report, but may need to discuss the survey or condition report with the originating surveyor.

5.5 Statutory Requirements and Planning

Making verbal or electronic enquiries of the relevant planning authorities as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values. C&W will also seek to ascertain whether any outstanding planning applications exist which may affect the Properties, and whether the Properties are listed or included in a Conservation Area. C&W will also attempt to verify the existing permitted use of

the Properties, and endeavour to have sight of any copies of planning permissions. For the avoidance of doubt, C&W will not undertake formal searches.

Excluded in the Services are:

5.6 Transaction

Where C&W is engaged to prepare a Valuation Report in connection with a proposed transaction in respect of the Properties, expressly excluded from the Services is the provision of any recommendation or otherwise by C&W as to whether to proceed with such a proposed transaction. Accordingly the Client must not in any circumstances construe the Valuation Report as a recommendation whether or not to proceed with such a proposed transaction.

6. Basis of Appointment

C&W confirms that:

- 6.1 The Valuation and Valuation Report will be undertaken in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK national supplement (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.
- 6.2 The Valuation will be the responsibility of Charles Smith MRICS, who is in a position to provide an objective and unbiased Valuation. The Valuation will be undertaken by a suitably qualified valuer, or valuers, who has or have the knowledge, skills and understanding to undertake the Valuation competently and who will act as "**Independent Valuer(s)**" qualified for the Purpose of Valuation.

An Independent Valuer will act as an External Valuer as defined in the RICS Red Book.

C&W does not (and any affiliates of C&W do not) act as external valuers as defined under the Alternative Investment Fund Manager's Directive ("**AIFMD**") legislation, or its equivalent under local law. C&W expressly disclaims any responsibility or obligations under AIFMD and/or its equivalent unless expressly agreed in writing in advance by C&W.

- 6.3 C&W have provided valuations to the Client for the following purposes:
 - Regulated Purpose Valuations as at 31 December 2015, 30 June 2016, 31 December 2016, 30 June 2017, 31 December 2017, 30 June 2018 and 31 December 2018.
 - A capital raise in December 2017.
 - Secured lending purposes on behalf of Bank of Scotland plc, comprising 53 assets as at 01 December 2017, 1 asset as at 17 May 2018, 2 assets as at 08 August 2018, and 19 assets as at 21 November 2018.
 - C&W have also previously valued a number of assets that sit within the overall portfolio for secured lending purposes on behalf of Sanne Fiduciary Services Limited.

C&W act on behalf of occupiers within the Properties. We have set out below the details of our involvement:-

- The Valuation & Advisory team in Birmingham advise the occupier of the first floor of Bennett House, Hanley, Stoke-on-Trent. As discussed, we will proceed with the valuation from our London office.
- The Valuation & Advisory team in Manchester advise the occupier of Units 5(pt), 6-8 at Mochdre Commercial Court, Colwyn Bay. As discussed, we will proceed with the valuation from our London office.

- The C&W Global Occupier Services department act for the tenants at the following assets, which form part of the valuation:
 - Calton House, Edinburgh (The Scottish Ministers (c/o The Scottish Prison Service))
 - Ground Floor, Tasman House, Clydebank (Clydesdale Bank plc)
- The C&W office agency department act for occupiers at the following assets, which form part of the valuation:
 - 800 Aztec West, Bristol
 - Equinox North, Bristol (Qualcomm)
- The C&W professional advisory services department act on behalf of one of the tenants within the following asset, which forms part of the valuation:
 - Oakland House, Manchester (Ministry of Justice)
 - Genesis Business Park, Woking (Oracle Corporation UK Limited)
 - Festival Court, Glasgow (Secretary of State for Transport)
- The C&W Project Management department act on behalf of one of the tenants within the following asset, which forms part of the valuation:
 - Genesis Business Park, Woking (Oracle Corporation UK Limited)
 - Lytham House, Warrington (Dassault Systems UK Limited)
 - Pagoda West, Swindon (Nokia UK Limited)
 - Mochdre Commercial Park, Colwyn Bay

The Client and C&W agree that the potential conflicts can be avoided by information barriers in place.

C&W has had no additional previous recent or current involvement with the Properties and C&W does not anticipate any future fee earning relationship with the Properties or a party connected to the transaction.

- 6.4 The proposed Valuation is a "**Regulated Purpose Valuation**" (as defined in RICS UK national supplement ("**UKNS**") UK VPS 3. C&W confirms that the Properties do not include any interests which have been acquired by the Client within the 12 months preceding the Valuation Date and in respect of which C&W has either received an introductory fee or negotiated that purchase on behalf of the Client.

In accordance with the provisions of UK VPS 3.1, in terms of any future acquisitions, C&W would be unable to undertake a valuation of a property acquired by a C&W client within the twelve months preceding the Valuation Date if, in relation to that property, C&W received an introductory fee or negotiated the purchase on behalf of that client unless another firm, unconnected with C&W, has provided a valuation of that property for the client at the time of or since the transaction was agreed.

In accordance with PS 2.5 of the RICS Red Book and UK VPS 3, the Valuation Report will set out the length of time Charles Smith MRICS has been the signatory to valuations provided to the Client for the same purpose as the Valuation Report, the length of time C&W has continuously been carrying out that valuation instruction for the Client, the extent and duration of C&W's relationship with the Client and the proportion of C&W's total fee income made up by the fees payable by the Client (to the nearest five percentage points). C&W will require these disclosures to be made in any published references to the Valuation Report.

C&W must seek to ensure there will be no potential conflicts of interest arising not only from C&W's involvement with the Properties and with the Client but also any related parties to the Client. Accordingly, the Client must advise C&W of any relevant parties connect to the Client's organisation.

In accordance with PS 2 5 of the RICS Red Book, C&W confirm our policy on rotation of the valuer accepting responsibility for Regulated Purpose Valuations and a statement of the quality control procedures that C&W has in place, as follows:

"C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals of not more than seven years, unless there are overriding circumstances to the contrary. C&W discusses the method of rotation of the signatory to Regulated Purpose Valuation reports with its clients.

C&W operates internal quality control procedures throughout its valuation practice including a system whereby the valuation of property meeting certain criteria requires the approval of an internal Value Committee."

7. Inclusion in a Prospectus

- 7.1 The Valuation Report is required for inclusion in the Prospectus and Circular which are to be published by the Company in connection with the issue of new ordinary shares for cash which will be admitted to the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange (the "**Listing**").
- 7.2 Except for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent provided under the Prospectus Rules, 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 accordance with the Valuation Report or our statement set out above required by and given solely for the purposes of complying with Annex 1, item 23.1 of Commission Regulation (EC) No 809/2004.

8. Special and Additional Terms

8.1 Use of Valuation Report

The Valuation Report may be used only for the Purpose of Valuation referred to in item 3.2 of 'Client Instructions' in this Services Schedule.

8.2 Areas

The RICS Practice Statement "RICS Property Measurement" requires office and residential buildings to be measured in accordance with International Property Measurement Standards ("**IPMS**"), unless the Client confirms in writing that alternative methodology should be used. Unless the Client so instructs C&W otherwise in writing, C&W will assume that the Client does not require C&W to measure office and residential buildings in accordance with IPMS on the basis that the Client has no use for such data given that at present it is rare for market activity to be based on IPMS measurements.

The areas C&W report will be appropriate for the Purpose of the Valuation but should not be relied upon for any other purpose.

8.3 Group of Properties/Lotting

Unless C&W has confirmed otherwise in this Services Schedule, each property will be valued individually; in the case of a portfolio, C&W will assume that each of the properties would be marketed in an orderly way and not placed on the market at the same time.

8.4 Limitations

There are no limitations.

8.5 Condition of Structure, Foundations, Soil & Services

It is a condition of C&W or any related entity, or any qualified employee, providing advice and opinions as to value, that the Client and/or third parties (whether notified to C&W or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

8.6 Plant & Machinery

No allowance will be made by C&W for any items of plant or machinery not forming part of the service installations of the building(s). C&W will specifically exclude all items of plant, machinery and equipment installed wholly or primarily in connection with any of the occupants' businesses. C&W will also exclude furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools, except where such items would ordinarily transfer to a prospective purchaser in the sale of a trading business as a going concern.

8.7 Goodwill

No account will be taken by C&W in the Valuation of any business goodwill that may arise from the present occupation of the Properties, except where such business goodwill (excluding any personal goodwill) would ordinarily transfer to a prospective purchaser in the sale of a trading business as a going concern.

8.8 Statutory Requirements & Planning

Please note the fact that employees of town planning departments now always give information on the basis that it should not be relied upon and that formal searches should be made if more certain information is required. Where a Client needs to rely upon the information given about town planning matters, the Client's legal advisers must be instructed to institute such formal searches. C&W recommends that the Client requests C&W to review its comments and Valuation in light of any resultant findings.

8.9 Defective Premises Act 1972

No allowance will be made by C&W for rights, obligations or liabilities arising under the Defective Premises Act 1972.

8.10 Legal Issues

Legal issues, and in particular the interpretation of matters relating to title and leases, may have a significant bearing on the value of an interest in property. No responsibility or liability will be accepted by C&W for the true interpretation of the legal position of the Client or any other parties in respect of the Valuation. Where C&W expresses an opinion on legal issues affecting the Valuation, then such opinion is subject to verification by the Client with a suitable qualified legal adviser.

8.11 Deduction of Notional Purchaser's Costs

The opinion of value which C&W will attribute to the Properties will be the figure C&W considers would appear in a contract for sale, subject to the appropriate assumptions for the Basis of Value reported. Where appropriate, C&W will make an allowance in respect of stamp duty and purchaser's costs.

The Client's attention is drawn to the fact that when assessing Market Value, for balance sheet purposes, C&W will not include directly attributable acquisition or disposal costs in the Valuation. Where C&W is requested to reflect these costs, they will be stated separately.

8.12 Taxation & Disposal Costs

No adjustment will be made by C&W to reflect any liability to taxation that may arise on disposal, or development of the Properties nor for any costs associated with disposal incurred by the owner. Furthermore, no allowance will be made by C&W to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

C&W's valuation figure for the Properties will be that receivable by a willing seller excluding VAT, if applicable.

8.13 Properties Requiring Repair/Refurbishment

Unless specifically agreed in writing to the contrary, C&W's fee assumes that C&W will be provided with a specification and floor plans of the proposed/ongoing development as well as information relating to construction and associated costs in respect of both the work completed and the work necessary for completion, together with a completion date or dates. Normally such figures, dates and information will be provided by the professional advisers involved in the construction programme. Unless specifically instructed to the contrary in writing, C&W will rely on such figures, dates and information and the Client should make this fact known to such advisers. Alternatively, on request, C&W can arrange for independent quantity surveyors to provide an assessment of costs and dates at an additional fee charge.

9 Assumptions

9.1 Assumptions

The RICS Red Book contains a glossary that defines various terms used in the RICS Red Book that have a special or restricted meaning. One such term is an assumption which is defined as "A supposition taken to be true" ("Assumption"). Accordingly in this context, C&W will make certain Assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, the Valuation that C&W will not verify as part of the valuation process but rather, in accordance with the definition in the RICS Red Book, will treat as true because it is agreed that specific investigation by C&W is not required. In the event that any of these Assumptions prove to be incorrect then the Valuation will need to be reviewed.

9.2 Confirmation of Assumptions

The Client's counter-signature of the Engagement Letter represents confirmation that all of the Assumptions, referenced within the Assumptions section, are correct.

The Client must promptly notify C&W in writing if any of the Assumptions are incorrect. Should any amendment to the Assumptions set out in the Services Schedule result in an increase in the scope of the Engagement this may result in an appropriate increase in C&W's fees and expenses due under the Engagement.

9.3 Areas

Where C&W is provided with floor areas, C&W will make an Assumption that the areas have been measured and calculated in accordance with the current edition of RICS Professional Statement RICS Property Measurement.

9.4 Tenancies and Leasing

C&W's opinion of the Market Value or Fair Value will be subject to existing leases of which the Client or its advisors have made C&W aware but otherwise will reflect an Assumption of vacant possession. Where C&W has undertaken to read the leases and related documents provided to it, C&W will make an Assumption that copies of all relevant documents will be sent to C&W and that they are complete and up to date.

Where C&W relies on tenancy and lease information provided to it, unless such information reveals otherwise, C&W will make the Assumption that all occupational leases are on full repairing and insuring terms, with no unusual or onerous provisions or covenants that would affect value.

C&W will make an Assumption that vacant possession can be given of all accommodation which is unlet or occupied by the entity/borrower or its employees on service tenancies. C&W will not take account of any leases between subsidiaries unless C&W states otherwise in the Services Schedule.

C&W will not undertake investigations into the financial strength of any tenants unless otherwise referred to in the Valuation Report. Unless C&W has become aware by general knowledge, or has been specifically advised to the contrary, C&W will make an Assumption that:

- a. where a property is occupied under leases then the tenants are financially in a position to meet their obligations, and
- b. there are no material arrears of rent or service charges, breaches of covenant, current or anticipated tenant disputes.

However, the Valuation will reflect a potential purchaser's likely opinion of the credit worthiness of the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation.

C&W will take into account any information the Client or its advisors provide concerning tenants' improvements. Otherwise, if the extent of tenants' alterations or improvements cannot be confirmed, C&W will make an Assumption that the Properties were let with all alterations and improvements evident during C&W's inspection (or, in the case of a Valuation without internal inspection, as described within the information provided by the Client).

C&W will also make an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary changes, all notices have been served validly within the appropriate time limits.

9.5 Environmental Matters

If C&W's enquiries or any reports supplied to C&W indicate the existence of environmental problems without providing method statements and costings for remedial works, then C&W may not be able to issue a Valuation Report except on the Special Assumption that the Properties are assumed NOT to be affected by such environmental matters. In certain circumstances, the making of such a Special Assumption may be unrealistic and may be a Departure from the requirements of the RICS Red Book. In these circumstances, the Valuation Report may include a recommendation that an investigation should be undertaken to quantify the costs and that subsequently the Valuation should be reviewed.

Where C&W's enquiries lead C&W to believe that the Properties are unaffected by contamination or other adverse environmental problems, including the risk of flooding, then, unless the Client instructs C&W otherwise, the Valuation will be based on an Assumption that no contamination or other adverse environmental matters exist in relation to the Properties sufficient to affect value.

If the Properties lie within or close to a flood plain, or has a history of flooding, C&W will make the Assumption that building insurance is in place and available to be renewed to the current or any subsequent owner of the Properties, without payment of an excessive premium or excess.

Depending on the nature of the investigations made and the information revealed, the Valuation Report may include a statement that, in practice, a purchaser might undertake further investigations and that if these revealed contamination or other adverse environmental problems, then this might reduce the value reported.

9.6 Mineral Rights

C&W will make an Assumption that any mineral rights are excluded from the Properties.

9.7 Title

Save as disclosed either in any Certificate of Title or unless specifically advised to the contrary by the Client or its legal advisers and as referred to in the Valuation Report, C&W will make the Assumption that there is good and marketable title in all cases and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. C&W will also make an assumption that the Properties are free from mortgages, charges or other encumbrances.

If verification of the accuracy of any site plans contained in the Valuation Report is required, the matter must be referred to the Client's legal advisers.

C&W will make the Assumption that roads and sewers serving the Properties have been adopted and that the Properties have all necessary rights of access over common estate roads, paths, corridors and stairways, and rights to use common parking areas, loading areas and other facilities.

In addition, similarly, where the title is leasehold, C&W will make the Assumption that both landlord and tenant have abided by the terms of the lease and that the layout of the accommodation is in accordance with that permitted in the lease. C&W will make a further Assumption that the lease contains no option for the landlord to obtain possession of the Properties if they intend to redevelop the Properties or a substantial part of the premises in which the Properties are situated.

9.8 Condition of Structure and Services, Deleterious Materials and Ground Conditions

Due regard will be paid by C&W to the apparent general state of repair and condition of the Properties, but a condition or structural survey will not be undertaken, nor will woodwork or other parts of the structure which are covered, unexposed or inaccessible, be inspected. Therefore, C&W will be unable to report that the Properties are structurally sound or is free from any defects. C&W will make an Assumption that the Properties are free from any rot, infestation, adverse toxic chemical treatments, and structural, design or any other defects other than such as may be mentioned in the Valuation Report.

C&W will not arrange for investigations to be made to determine whether any deleterious, hazardous or harmful materials (including but not limited to high alumina cement concrete or calcium chloride additive) have been used in the construction or any alterations, and therefore C&W will not be able to confirm that the Properties are free from risk in this regard. For the purposes of the Valuation, C&W will make an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

C&W will not carry out an asbestos inspection and will not act as an asbestos inspector in completing the valuation inspection of property that may fall within the Control of the Asbestos at Work Regulations 2012. C&W will not make an enquiry of the duty holder (as defined in the

Control of Asbestos of Work Regulations 2012), of an existence of an Asbestos Register or of any plan for the management of asbestos to be made. Where relevant, C&W will make an Assumption that there is a duty holder, as defined in the Control of Asbestos of Work Regulations 2012 and that a Register of Asbestos and Effective Management Plan is in place, which does not require any immediate expenditure, or pose a significant risk to health, or breach the HSE regulations. C&W recommends that such enquiries be undertaken by the Client's legal advisers during normal pre-contract or pre-loan enquiries.

No mining, geological or other investigations will be undertaken by C&W to certify that the sites are free from any defect as to foundations. C&W will make an Assumption that all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual or adverse effect on building costs, property values or viability of any development or existing buildings.

C&W will make the Assumptions that there are no services on, or crossing the site in a position which would inhibit development or make it unduly expensive, and that the site has no archaeological significance, which might adversely affect the present or future occupation, development or value of the Properties.

No tests will be carried out by C&W as to electrical, electronic, heating, plant and machinery equipment or any other services nor will the drains be tested. However, C&W will make an Assumption that all building services (including, but not limited to lifts, electrical, electronic, gas, plumbing, heating, drainage, sprinklers, ventilation, air conditioning and security systems) and property services (such as incoming mains, waste, drains, utility supplies etc.) are in good working order and without any defect whatsoever.

9.9 Statutory Requirements and Planning

Save as disclosed in a Certificate of Title, or unless otherwise advised, C&W shall make the Assumption that all of the buildings have been constructed in full compliance with valid town planning and building regulations approvals and that where necessary, they have the benefit of current Fire Risk Assessments compliant with the requirements of the Regulatory Reform (Fire Safety) Order 2005. Similarly, C&W shall also make the Assumption that the Properties are not subject to any outstanding statutory notices as to construction, use or occupation and that all existing uses of the Properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

C&W shall make the Assumption that the Properties complies with all relevant statutory requirements.

Energy Performance Certificates ("**EPC**") must be made available for all properties, when bought or sold, subject to certain exemptions. If the Properties are not exempt from the requirements of this Directive C&W shall make an Assumption that an EPC is made available, free of charge, to a purchaser of all the interests which are the subject of the Valuation.

In addition, in England and Wales the Minimum Energy Efficiency Standards Regulations are effective from 1 April 2018. The regulations prohibit the granting of a new tenancy or lease renewal of privately rented residential or business premises which do not have an EPC rating of 'E' or above. C&W will ask the Client or its advisors for information relating to the EPC ratings of the Properties if the Properties are not exempt from these requirements. In any instance where C&W is not provided with an up to date EPC rating C&W will make the Assumption that the Properties meet the minimum requirements to enable it to be let.

In Scotland, the Energy Performance of Non-Domestic Buildings (Scotland) Regulation 2016 (the "**Regulation**") requires that qualifying properties have an energy assessment completed and an action plan prepared prior to sale or leasing. If the Properties are not exempt from the requirements of the Regulation C&W shall make an Assumption that an energy assessment and action plan is made available, free of charge, to a purchaser of the interests which are the subject

of the Valuation and that there is no capital expenditure required in order to comply with the requirements of the Regulation.

In any instance where C&W is to value Properties with the benefit of a recently granted planning consent, or on the Special Assumption that planning consent is granted, C&W will make an Assumption that it will not be challenged under Judicial Review. Such a challenge can be brought by anyone (even those with only a tenuous connection with the Properties, or the area in which it is located) within a period of three months of the granting of a planning consent. When a planning consent is granted subject to a Section 106 Agreement, the three month period commences when the Section 106 Agreement is signed by all parties.

If a planning consent is subject to Judicial Review, the Client must inform C&W and request C&W to reconsider its opinion of value. Advice would be required from the Client's legal advisers and a town planner, to obtain their opinion of the potential outcomes of such a Judicial Review, which C&W will reflect in its reconsideration of value.

9.10 Information

Notwithstanding the Terms of Business, C&W will make an Assumption that the information provided by the Client and/or its professional advisers and/or by the Borrower and/or its professional advisers in respect of the Properties to be valued is both full and correct. C&W will make an Assumption that details of all matters relevant to value within their collective knowledge, including but not limited to matters such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to it, and that such information is up to date.

If the Valuation is required for the purpose of purchase, loan security or other financial transaction, the Client accepts that full investigation of the legal title and any leases is the responsibility of its legal advisers.

Where comparable evidence is included in the Valuation Report, this information is often based on C&W's verbal enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where C&W had reason to believe its general accuracy or where it was in accordance with expectation. It is unlikely that C&W will have inspected comparable properties.

9.11 Properties Requiring Repair/Refurbishment

Where C&W undertake a Valuation of the completed Properties this will be based on an Assumption that all works of construction have been satisfactorily carried out in accordance with the building contract and specification, current British Standards and any relevant codes of practice. C&W will also make an Assumption that a duty of care and all appropriate warranties will be available from the professional team and contractors, which will be assignable to third parties.

Appendix 1 – Property Schedule

PROPERTY	INTEREST	PROPERTY TYPE
Tasman House, Clydebank, Scotland	Leasehold	Offices
Caspian House, Mariner Court, Clydebank, Scotland	Leasehold	Offices
High Street,91/95 & 93-95,High Street, Dumfries, Scotland	Freehold	Retail
Bank Street,32-38,Bank Street, Dumfries, Scotland	Freehold	Retail
Old Mill Studios, Old Rutherglen Road, Gorbals, Glasgow, Scotland	Freehold	Offices
Tay House ,Bath Street, Glasgow, Scotland	Leasehold	Offices
The Commercial Centre,101,Gorbals Street, Glasgow, Scotland	Leasehold	Retail
Virginia Street, Glasgow, Scotland	Freehold	Retail
Miller Street ,Glasgow, Scotland	Freehold	Retail
Venlaw Building, Bath Street, Glasgow, Scotland	Freehold	Offices
Elmbank Gardens ,Glasgow, Scotland	Freehold	Offices
Mill House, Glasgow, Scotland	Freehold	Offices
Legal House,101,Gorbals Street, Glasgow, Scotland	Leasehold	Offices
70 Commercial Road, Glasgow, Scotland	Freehold	Offices
Building 5 – Doges, Templeton Street, Glasgow, Scotland	Freehold	Offices
Corner House, Templeton Street, Glasgow, Scotland	Freehold	Offices
Templeton House, Templeton Street, Glasgow, Scotland	Freehold	Offices
The White Studios, Templeton on the Green, Glasgow, Scotland	Freehold	Offices
West Stewart Street, Greenock, Scotland	Leasehold	Retail
Car Park, Kilblain Street, Greenock, Scotland	Leasehold	Offices
Sheldon Court, Sheldon, Birmingham, Midlands	Freehold	Offices
Chancellor Court, The Calls, Leeds, North East	Freehold	Offices
9 Portland Street, Portland Street, Manchester, North West	Freehold	Offices
Side car park, Side car park, Newcastle upon Tyne, North East	Freehold	Offices
Milburn House, Milburn House, Dean Street, Newcastle upon Tyne, North East	Freehold	Offices
St Brendans Court, Bristow Broadway, Avonmouth, South West	Freehold	Offices
St James Court – Building A, Great Park Road, Bristol, South West	Freehold	Offices
St James Court – Building B, Great Park Road, Bristol, South West	Freehold	Offices
Westminster House, Leatherhead, South East	Freehold	Offices
Care House, Leatherhead, South East	Freehold	Offices
Atlantic House, Milton Keynes, South East	Freehold	Industrial
Minton Place ,Station Road, Swindon, South West	Freehold	Offices
Leo House, Railway Approach, Wallington, South East	Leasehold	Offices
Bennett House, Town Road, Hanley, Stoke-on-Trent, Midlands	Freehold	Offices
Festival Court, Brand Street, Glasgow, Scotland	Freehold	Offices

PROPERTY	INTEREST	PROPERTY TYPE
Crompton Way, Irvine, Scotland	Freehold	Industrial
Lloyds TSB Scotland, 19 ,Union Terrace, Aberdeen, Scotland	Freehold	Offices
Residential Units, 1A & 1B ,Diamond Place, Aberdeen, Scotland	Freehold	Other
St Vincent Street, 85, St Vincent Street, Glasgow, Scotland	Freehold	Retail
Renfield Street,6,Renfield Street, Glasgow, Scotland	Freehold	Retail
High Street Retail, 124-136, High Street, Falkirk, Scotland	Freehold	Retail
Delta Centre, Gateside, Lesmahagow, Scotland	Freehold	Industrial
Castleford, Unit B, Flemming Court, Whistler Drive, Castleford, North East	Freehold	Offices
14/16 Rossmore Business Village, 14 – 16,Ellesmere Port, North West	Freehold	Offices
Telford Court, Units D and F, Chester, North West	Freehold	Offices
1 & 2 Whittle Court, Stoke-on-Trent, Midlands	Freehold	Offices
Davy Court, 15, Rugby, Midlands	Freehold	Offices
Fairfax House, Pendeford Business Park, Wolverhampton, Midlands	Freehold	Offices
Gyleview House, 3 Redheughs Rigg, South Gyle, Edinburgh, Scotland	Freehold	Offices
Calton House, 5 Redheughs Rigg, South Gyle, Edinburgh, Scotland	Freehold	Offices
Clydesdale Bank Plc ,North Esplanade West, Aberdeen, Scotland	Leasehold	Retail
Delta 1200,Delta Business Park Swindon, South West, SN5 7XZ	Freehold	Offices
Niceday House, Meridian House, Andover, South East	Freehold	Offices
Donegal House, Tweedy ,Bromley, South East	Freehold	Offices
Ewer House, 44/46 Cro, Colchester, South East	Leasehold	Retail
Manor Road, Erith, South East	Leasehold	Industrial
Victory Hse, Meeting House Lan, Chatham, South East	Freehold	Offices
27/29 King St – Poundland, Belper, Midlands	Leasehold	Retail
2800,The Crescent, Solihull, Midlands	Freehold	Offices
Colombus House, Westwood, Coventry, Midlands	Freehold	Offices
Total Petrol Filling station, Dysart Way, Leicester, Midlands, LE1 2JY	Freehold	Retail
Mile End Road, Colwick, Nottingham, Midlands	Freehold	Industrial
37 Stockwell Gate, Mansfield, Nottingham, Midlands	Freehold	Retail
Wilkinsons, Broad Street, Stafford, Midlands	Leasehold	Retail
Commercial St & Wellington Arc, Brighouse, North East	Freehold	Retail
Lisbon Court,120,Wellington Street, Leeds, North East	Freehold	Offices
Marston Business Park, Tockwith, Wetherby, North East, YO26 7QF	Freehold	Industrial
8 Eastbank Street, Southport, North West	Freehold	Retail
Heathhall Industrial Estate, Heathhall, Dumfries, Scotland	Freehold	Industrial
Royal Burgh House,380,King Street, Rutherglen, Scotland	Freehold	Offices

PROPERTY	INTEREST	PROPERTY TYPE
Road 4,Road 4,Winsford Industrial Estate, Winsford, North West	Freehold	Industrial
Llansamlet Retail Park, Nant Y Ffin Road, Llansamlet, Swansea, Wales	Leasehold	Retail
Unit 3200,Century Way, Thorpe Park, Leeds, North East, LS15 8ZB	Freehold	Offices
Skippingdale Trading Estate, Plot 15, Scunthorpe, North East	Leasehold	Industrial
Hampshire Corporate Park, Templars Way, Chandler's Ford, Eastleigh	Freehold	Offices
2 & 3, The Oaks ,Westwood Business Park, Coventry, Midlands	Leasehold	Offices
Salters Way, Cromwell Road, Wisbech, South East	Freehold	Industrial
1 & 2 Newstead Court, Little Oak Drive, Sherwood Park, Nottingham, Midlands	Leasehold	Offices
Rosalind House, Jays Close, Viabes Business Park, Basingstoke, South East	Leasehold	Offices
Oakland House, Manchester, North West	Freehold	Offices
Arena Point, Leeds, North East, HG1 1LE	Freehold	Offices
James House, Leicester, Midlands	Freehold	Offices
Northern Cross, Basingstoke, South East	Leasehold	Offices
Buildings 2 & 3 HBOS, Aylesbury, South East	Freehold	Offices
Building 800, Aztec West, Park Avenue, Bristol, South West	Freehold	Offices
Genesis Centre ,Science Park South, Warrington, North West, WA3 7BH	Freehold	Offices
Forge House, 19-20, Carbrook Hall Road, Attercliffe Common, Sheffield	Freehold	Offices
Phoenix Business Park, Linwood, Scotland	Freehold	Offices
Juniper Park, Fenton Way, Southfields, Basildon, South East, SS15 6TD	Freehold	Industrial
Southview & Southstar, Blackness Road, Altens, Aberdeen, Scotland	Leasehold	Industrial
Commercial Road, Commercial Road, Bromborough, North West, CH62 3NL	Leasehold	Industrial
30-34 Hounds Gate, 30-34, Houndsgate, Nottingham, Midlands	Freehold	Offices
Belhaven House, Strathclyde Business Park, Bellshill, Scotland	Freehold	Offices
Braidhurst House, Strathclyde Business Park, Bellshill, Scotland	Freehold	Offices
Carnbroe House, Strathclyde Business Park, Bellshill, Scotland	Freehold	Offices
Coltness House, Strathclyde Business Park, Bellshill, Scotland	Freehold	Offices
Dalziel House, Strathclyde Business Park, Bellshill, Scotland	Freehold	Offices
Murdostoun House, Strathclyde Business Park, Bellshill, Scotland	Freehold	Offices
Woodlands Court, Almondsbury	Freehold	Offices
Equinox North, Almondsbury	Freehold	Offices
Genesis Business Park, Albert Drive, Woking, GU21 5RW	Freehold	Offices
Vantage Point, Cultins Road, Edinburgh	Freehold	Offices
Acorn Business Park, Leeds	Freehold	Offices
Albert Edward House, Land Adjacent to Unit 6, Preston	Leasehold	Offices
Alderstone Business Park, MacMillan Road, Livingston	Freehold	Offices
Antler Complex, Morley	Freehold	Offices

PROPERTY	INTEREST	PROPERTY TYPE
Birmingham Business Park ,Unit 1720-1760, Birmingham	Freehold	Offices
Century Park, Enterprise House, Altrincham	Freehold	Offices
City West Business Park, Unit 1A, Durham	Freehold	Offices
Elmbridge Court, Unit A1, Gloucester	Freehold	Offices
Isis Business Centre, Unit 1, First Floor, Oxford	Freehold	Offices
Mandale Business Park, Aire House A, Durham	Freehold	Offices
Market Dock, Unit 1, South Shields	Freehold	Offices
Miller Court, Unit 1, Tewkesbury	Freehold	Offices
Quadtech, Unit 1, Hemel Hempstead	Freehold	Offices
Ridge House, Unit 1, Stoke-on-Trent	Freehold	Offices
The Courtyard, Callendar Boulevard, Falkirk	Freehold	Offices
Tolvaddon Business Park, Unit 1, East Pool, Camborne	Freehold	Offices
Wakefield 41 Business Park, Unit 1A, Wakefield	Freehold	Offices
Wren House, Colchester Road, Chelmsford	Freehold	Offices
Clearblue Innovation, Stannard Way, Priory Business Park, Bedford	Leasehold	Offices
International House, Stafford Park 11, Telford	Freehold	Industrial
The Courtyard, Catherine Street, Macclesfield	Freehold	Offices
Quadrant House, 9 Riverside Drive, Dundee	Freehold	Offices
Cyan Building, Adwick Park, Manvers, Rotherham	Freehold	Offices
Bldg A,1 Port Solent, Portsmouth, PO6 4TZ	Freehold	Offices
The Mash, The Maltings, Hull HU1 3HB	Freehold	Offices
The Chilterns, Units 1-3, Ibstone Road, High Wycombe, HP14 3AQ	Freehold	Offices
Ill Acre, Princeton Drive, Stockton-on-Tees, TS17 6PY	Freehold	Offices
Felaw Maltings, 44 Felaw St, Ipswich, IP2 8SJ	Freehold	Offices
Rivermead Court, Buildings 1 & 2,Clevedon, Bristol, BS21 6SR	Freehold	Offices
Merchant Square, Wakefield, WF1 2TS	Freehold	Offices
Parkway Business Centre, Deeside, CH5 2LE	Freehold	Offices
Cromwell House, Tritton Road, Lincoln, LN6 7YT	Freehold	Offices
Bering House & Timor House, Clydebank	Freehold	Offices
Trident Retail Park, BIRMINGHAM*	Freehold	Industrial
Norfolk House, Birmingham	Freehold	Offices
Kingscourt Leisure Complex, Dundee*	Freehold	Retail
52/66 Newmarket Street, AYR*	Freehold	Retail
6 Fleming Road, LIVINGSTON*	Freehold	Office
Network House, WOLVERHAMPTON*	Freehold	Office
Pagoda Park, SWINDON*	Freehold	Office

PROPERTY	INTEREST	PROPERTY TYPE
Compass House, DUNDEE*	Freehold	Office
Wilkinson Building, ST HELENS*	Freehold	Retail
Mochdre Commerce Park, COLWYN BAY*	Freehold	Industrial
The Links, WARRINGTON*	Freehold	Office
Charles House, Northampton*	Freehold	Office
1-6 Silver Court, Welwyn, Welwyn Garden City*	Freehold	Office
York House, 96-102 Hamilton Rd, FELIXSTOWE*	Freehold	Retail
Brennan House, Farnborough*	Freehold	Office
31 Foleshill Road, COVENTRY*	Leasehold	Retail
Shrewsbury Arms Shopping Mall, RUGELEY*	Freehold	Retail
Advantage, Reading, Reading*	Freehold	Office
1 Garbett Road – extension, LIVINGSTON*	Freehold	Office
156-160 High Street, AYR*	Freehold	Retail
The Brunel Centre, BLETCHLEY*	Freehold	Retail
Integration House, Fleet*	Freehold	Office
Waterfront, Fleet*	Freehold	Office
16 & 18 Freebournes Drive, WITHAM*	Freehold	Industrial
3 Freebournes Drive, WITHAM*	Leasehold	Industrial
Witham Park House, LINCOLN*	Freehold	Office
Ashby Park, ASHBY DE LA ZOUCH*	Freehold	Office
1 Garbett Road, LIVINGSTON*	Freehold	Office
Kirkton Campus Site – Development Site, LIVINGSTON*	Freehold	Industrial
Craigievar House, ABERDEEN*	Freehold	Office

* denotes properties previously valued by JLL.

N.B. All of the above assets are held for investment purposes.

APPENDIX B: LIST OF ADDRESSES AND TENURE

Please see appendix 1 of the C&W Valuation & Advisory Services Schedule.

APPENDIX C: ABBREVIATIONS

ERV	Estimated Rental Value
GIA	Gross Internal Area
IPMS	International Property Measurement Standards
NIA	Net Internal Area
PROMIS	Property Market Information Service (an authoritative real estate database produced by PMA Services)
PS	RICS Professional Standard – RICS Red Book
RICS	Royal Institution of Chartered Surveyors
UKNS	United Kingdom National Supplement – RICS Red Book
VPGA	RICS Global Valuation Practice Guidance Application – RICS Red Book
VPS	RICS Valuation Technical and Performance Standard – RICS Red Book
WAULT	Weighted Average Unexpired Lease Term
WAEPC	Weighted Average Energy Performance Certificate

APPENDIX D: SOURCES OF INFORMATION

Sources of Information

In addition to information established by us, we have relied on the information obtained from you and/or your professional advisers, as listed below:

Information	Source/Author	Date
Leasing information	London & Scottish	22/05/2019
Details of recent, current or proposed marketing of the Engagement Property and offers received	London & Scottish	29/05/2019

PART 10

HISTORICAL FINANCIAL INFORMATION, OPERATING AND FINANCIAL REVIEW AND CAPITALISATION AND INDEBTEDNESS

SECTION A: HISTORICAL FINANCIAL INFORMATION

1. Incorporation by reference

The following is incorporated by reference into this document:

- (a) the Company's annual report and accounts for the financial period ended 31 December 2016 (the "**2016 Annual Report**");
- (b) the Company's annual report and accounts for the financial year ended 31 December 2017 (the "**2017 Annual Report**"); and
- (c) the Company's annual report and accounts for the financial year ended 31 December 2018 (the "**2018 Annual Report**", together with the 2016 Annual Report and the 2017 Annual Report, the "**Annual Reports**").

Copies of the Annual Reports have been filed with the FCA and may be obtained from the Company's website (www.regionalreit.com) or free of charge, during normal business hours, at the offices of Toscafund Asset Management LLP, 7th Floor, 90 Long Acre, London WC2E 9RA.

2. Cross-reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference in this document.

2016 Annual Report

The 2016 Annual Report, which has been incorporated by reference in full in this document included, among other things, the following information (on the pages specified in the table below):

<i>Information</i>	<i>Page reference of the 2016 Annual Report</i>
Chairman's Statement	12-15
Asset and Investment Managers' Report	22-45
Board of Directors	52-53
Report of the Directors	54-60
Management Engagement and Remuneration Committee Report	74-75
Independent Auditor's Report	78-79
Statement of Comprehensive Income	80
Statement of Financial Position	81
Statement of Changes in Equity	82
Statement of Cash Flows	83
Notes to the Financial Statements	88-120

2017 Annual Report

The 2017 Annual Report, which has been incorporated by reference in full in this document included, among other things, the following information (on the pages specified in the table below):

<i>Information</i>	<i>Page reference of the 2017 Annual Report</i>
Chairman's Statement	10-14
Asset and Investment Managers' Report	18-24
Board of Directors	54-56
Report of the Directors	56-63
Management Engagement and Remuneration Committee Report	79-80
Independent Auditor's Report	82-86
Statement of Comprehensive Income	88-89
Statement of Financial Position	89-90
Statement of Changes in Equity	90-91
Statement of Cash Flows	95-96
Notes to the Financial Statements	96-134

2018 Annual Report

The 2018 Annual Report, which has been incorporated by reference in full in this document included, among other things, the following information (on the pages specified in the table below):

<i>Information</i>	<i>Page reference of the 2018 Annual Report</i>
Chairman's Statement	10-14
Asset and Investment Managers' Report	22-34
Board of Directors	58-60
Report of the Directors	60-67
Management Engagement and Remuneration Committee Report	82-84
Independent Auditor's Report	86-89
Statement of Comprehensive Income	91-92
Statement of Financial Position	92-93
Statement of Changes in Equity	93-94
Statement of Cash Flows	94-95
Notes to the Financial Statements	95-131

SECTION B: OPERATING AND FINANCIAL REVIEW

The following operating and financial review should be read in conjunction with the historical financial information incorporated by reference in Section A of this Part 10 of this document and the other financial information relating to the Group included elsewhere in this document. This review contains forward-looking statements based on the current expectations and assumptions about the Group's future business. Forward looking statements are not guarantees of future performance and no assurance can be or is given that such future results will be achieved. The Group's actual results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this document. In addition, even if the results of operations, financial condition and dividend policy of the Group, and the development of its financing strategies, are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to, those factors set out in Part 1 of this document.

The selected financial information incorporated by reference in this Section B of Part 10 is from the Annual Reports incorporated by reference within Section A of this Part 10, which have been prepared in accordance with IFRS.

1. Operating and financial review for the financial period ended 31 December 2016

The page numbers below refer to the relevant pages of the 2016 Annual Report:

Strategic report	12
Financial statements	80

2. Operating and financial review for the financial year ended 31 December 2017

The page numbers below refer to the relevant pages of the 2017 Annual Report.

Strategic report	10
Financial statements	88

3. Operating and financial review for the financial year ended 31 December 2018

The page numbers below refer to the relevant pages of the 2018 Annual Report:

Strategic report	10
Financial statements	91

SECTION C: CAPITALISATION AND INDEBTEDNESS

The following table shows the consolidated gross indebtedness of the Group as at 31 May 2019 and the consolidated audited Group capitalisation as at 31 December 2018. The figures for capitalisation have been extracted without material adjustment from the audited consolidated financial statements of the Group included in Section A of this Part 10 for the financial year ended 31 December 2018. The figures for the indebtedness have been extracted from the Group's accounting records.

Capitalisation

	<i>£'000</i>
Share capital	370,316
Retained earnings	59,199
Total	<u>429,515</u>

There has been no material change in the capitalisation of the Company since 31 December 2018.

The table below sets out the indebtedness by borrowing type of the Group as at 31 May 2019, which has been sourced from the Group's accounting records.

Indebtedness

	<i>Unaudited £'000</i>
Total current debt	
Guaranteed	–
Secured	400
Unguaranteed and unsecured	–
Total	<u>400</u>

Total non-current debt (excluding current portion of long term debt)

Guaranteed	–
Secured	284,801
Unguaranteed and unsecured	49,201
Total	<u>334,002</u>

	<i>Unaudited £'000</i>
Net indebtedness	
Cash	21,056
Cash equivalent	–
Liquidity	21,056
Current bank debt	400
Other current financial debt	–
Current financial debt	400
Net current financial indebtedness	20,656
Non-current bank loans	284,801
Other non-current loans	49,201
Non-current financial indebtedness	334,002
Net financial indebtedness	313,346

The table below sets out the indirect and contingent indebtedness of the Group as at 31 May 2019.

	<i>Unaudited £'000</i>
Indirect and contingent indebtedness	
Derivative financial instrument (interest rate hedging arrangements)	876
Total indirect and contingent indebtedness	876

PART 11

UK TAXATION

The statements below are intended to be a general summary of certain UK tax considerations relevant to prospective investors in the New Ordinary Shares. This is not a comprehensive summary of all aspects of the taxation of the Group and Shareholders and is not intended to constitute legal or tax advice.

The statements below are based on current UK tax law and what is understood to be the current practice (which may not be binding) of HMRC as at the date of this document, both of which are subject to change, possibly with retrospective effect. 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. 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 apply or will endure indefinitely. The tax consequences for each investor investing in the Company may depend on the investor's own tax position and upon relevant laws of any jurisdiction to which the investor is subject.

If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

1. UK Tax treatment of the Group and the REIT regime

The Company is the principal company of a group REIT comprising the Company and its direct and indirect subsidiaries. The Company is Guernsey incorporated but it is UK tax-resident.

As a group UK REIT, the Group is not charged UK corporation tax on its profits and gains derived from its qualifying property rental business ("**Property Business**") provided that certain conditions are satisfied. Instead, distributions by the principal company of the REIT (being the Company in this case) in respect of the Property Business of the REIT are treated for UK tax purposes as UK property income in its shareholders' hands so far as the distribution is a distribution of profits which have benefited from the REIT exemption. Such a distribution paid by the Company is referred to in this section as a Property Income Distribution ("**PID**").

Historically capital gains of any non-UK resident subsidiaries were generally outside the scope of UK tax and distributions in respect of such capital gains realised by any non-UK resident subsidiaries did not generally comprise PIDs. However, the Government extended the scope of UK tax on capital gains to bring the capital gains of non-UK residents on the disposal (both directly and indirectly) of UK real property within the scope of UK tax with effect from 6 April 2019. As a result, a disposal of a property by a non-UK resident subsidiary of a group REIT after 6 April 2019 falls within the scope of UK tax. Any capital gain should still be exempt from UK tax (under the REIT regime rather than as a consequence of non-UK residence). However, the effect is that the distribution of such gains will be treated as a PID rather than a Non-PID Dividend (as defined below) in the Shareholders' hands.

Further, it should be noted that with effect from 6 April 2020, non-resident companies will be brought within the charge to UK corporation tax (rather than income tax) on their UK income.

Any company which is a member of a REIT will be subject to UK tax in respect of profits and gains from business other than Property Business (the "**Residual Business**"), where the UK has primary taxing rights over such profits. Such UK tax could be UK income tax charged at the basic rate of 20 per cent. (subject to non-UK residents being brought within the charge to corporation tax) or UK corporation tax charged at 19 per cent. (reducing to 17 per cent. from April 2020). Dividends by the Company relating to the Residual Business of the Group are treated as normal dividends in the hands of the Shareholders. Any such dividend is referred to in this section as a Non-Property Income Distribution ("**Non-PID Dividend**").

Whilst the REIT regime applies to the Group, the Property Business will be treated as a separate business for corporation tax purposes from the Residual Business and a loss incurred by one business cannot be set off against profits of the other.

2. Qualification as a REIT

In order to continue to qualify as a REIT, the Company and other members of the Group must continue to satisfy certain conditions set out in Part 12 CTA 2010 (a breach of certain conditions could lead to a tax charge rather than termination of the Group's REIT status). A non-exhaustive summary of the material conditions is set out below.

2.1 *Company conditions*

There are several conditions that the Company, as the principal company of the Group, must satisfy in order for the Group to maintain its REIT status. These are summarised below

The Company must be a solely UK tax-resident company. Throughout each accounting period, the Company's ordinary shares must be admitted to trading on a recognised stock exchange (which includes the main market of the London Stock Exchange).

The Company must not be an open-ended investment company.

The Company must not be a close company as defined by section 439 CTA 2010 and as applied by section 528(5) CTA 2010, other than by virtue of having a participator who is an institutional investor. Broadly, the close company condition requires that the Company is not under the control of five or fewer participators or of participators who are directors (participators for these purposes is defined by section 454 CTA 2010). An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership which is a collective investment scheme, a registered social landlord, an open-ended investment company, a person with sovereign immunity, a UK REIT or the non-UK equivalent of a UK REIT.

2.2 *Share capital restrictions*

The Company must have only one class of ordinary shares in issue and the only other shares it may issue are particular types of non-voting restricted preference shares.

2.3 *Borrowing restrictions*

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 any of its business or on the value of any of its assets. A loan is not treated as carrying results-dependent interest by reason only that the terms of the loan provide for interest to reduce if the results improve or to increase if the results deteriorate. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

2.4 *Financial Statements*

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

2.5 *Conditions for the Property Business*

The Property Business must satisfy the conditions summarised below in respect of each accounting period during which the Group is to be treated as a REIT. Owner-occupied property (as interpreted by generally accepted accounting practice) is excluded from the tax exempt Property Business.

The Property Business must, throughout the accounting period, involve at least three properties.

Throughout the accounting period, no one property may represent more than 40 per cent. of the total value of all properties involved in the Property Business. Assets must be valued in accordance with IFRS and at fair value when IFRS offers a choice between fair value and a costs basis.

The income profits arising from the Property Business must represent at least 75 per cent. of the Group's total income profits for the accounting period (the "**75 Per Cent Profits Condition**"). Profits for this purpose means profits calculated in accordance with international accounting standards but excluding, broadly, gains and losses on the disposal of property and gains and losses on the revaluation of properties, and certain exceptional items.

At the beginning of the accounting period the value of the assets in the Property Business must represent at least 75 per cent. on the total value of assets of the Group (the "**75 Per Cent Assets Condition**"). Cash held on deposit and gilts are included in the value of the assets relating to the Property Business for the purpose of meeting this condition. Non-cash assets must be valued in accordance with IFRS and at fair value where IFRS offers a choice of valuation between fair value and a costs basis. In applying the test, no account is to be taken of liabilities secured against or otherwise relating to assets.

2.6 **Distribution condition**

The Company must (to the extent permitted by law) distribute to shareholders, on or before the filing date for the Company's tax return for the accounting period in question, at least 90 per cent. of the income profits (calculated, broadly, using UK tax rules) of the Group to the extent they are derived from the UK Property Business of the Group. This requirement is referred to as the "**90 Per Cent Distribution Condition**". Failure to meet the 90 Per Cent Distribution Condition will result in a tax charge calculated by reference to the extent of the failure, although in certain circumstances where the failure to meet this condition is due to an increase in profits from the amounts originally shown in the Financial Statements, this charge can be mitigated by an additional dividend paid within a specified period which brings the profits distributed up to the required level. For the purpose of satisfying the 90 Per Cent Distribution Condition, any dividend withheld in order to comply with the 10 Per Cent Rule described below will be treated as having been paid.

3. **Investment in other REITs**

In general, a distribution received by a UK REIT from another REIT is (so far as the distribution is a distribution of profits which have benefitted from the REIT exemption in the distributing REIT) treated as tax exempt profits of the UK Property Business of the investing REIT. The investing REIT must distribute 100 per cent. of such distributions to its shareholders (the "**100 Per Cent Distribution Condition**"). For the purposes of the 75 Per Cent Assets Condition, the investment by a REIT in the shares of another REIT is included as an asset of the investing REIT's Property Business.

4. **Other consequences of the REIT regime**

4.1 **Holders of excessive rights**

A REIT will become subject to an additional tax charge if it pays a dividend to, or in respect of, a holder of excessive rights (the "**10 Per Cent Rule**"). A holder of excessive rights is broadly any shareholder with a 10 per cent. or greater holding which is a body corporate (or is deemed to be a body corporate in accordance with the law in an overseas jurisdiction with which the UK has a double taxation agreement or in accordance with that double taxation agreement).

The additional tax charge will be calculated by reference to the whole dividend paid to a holder of excessive rights, and not just by reference to the proportion which exceeds the 10 per cent. threshold. The tax charge will not be incurred if the REIT has taken reasonable steps to avoid paying dividends to such a shareholder. HMRC guidance describes certain actions that a REIT may take to demonstrate that it has taken "**reasonable steps**". One of these actions is to include restrictive provisions in the articles of association or incorporation of the principal company of the REIT to address this condition. Such provisions are included in the Articles.

4.2 **Interest Cover**

If the ratio of the Group's income profits (before capital allowances) in respect of its Property Business to the financing costs incurred in respect of the Property Business is less than 1.25:1 for an accounting period then a tax charge will arise.

The ratio is based on the cost of debt finance taking into account interest, amortisation of discounts or premiums and the financing expense implicit in payments made under finance leases. The amount chargeable to corporation tax is capped at a maximum of 20 per cent. of the profits of the Property Business for the accounting period in question.

4.3 ***Certain Tax Avoidance Arrangements***

If HMRC believes that a member of a REIT has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Property Business.

4.4 ***Movement of Assets in and out of the Property Business***

Where an asset owned by a REIT and used for the Property Business begins to be used for the Residual Business, there is a tax-free step up in the base cost of the property. Where an asset used for the Residual Business begins to be used for the Property Business, this will generally constitute a taxable market value disposal of the asset, except for capital allowances purposes. Special rules apply to disposals by way of a trade and of property developed in the three years prior to the disposal.

4.5 ***Joint ventures***

If a REIT is beneficially entitled to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, then that joint venture company (the “**JV Company**”) is carrying on a qualifying property rental business which satisfies the 75 Per Cent Profits Condition and the 75 Per Cent Assets Condition. If certain other conditions are satisfied, the REIT may, by giving notice to HMRC, elect for the relevant proportion of the assets and income of the JV Company to be included in the Property Business for tax purposes. In such circumstances, the income and assets of the JV Company will generally count towards the 90 Per Cent Distribution Condition, the 75 Per Cent Profits Condition and the 75 Per Cent Assets Condition. These rules also apply to joint venture groups.

4.6 ***Acquisitions and Takeovers***

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided certain conditions are met, continue to enjoy tax exemptions in respect of the profits of its Property Business and chargeable gains on disposals of properties in the Property Business.

The position is different where a REIT is taken over by a purchaser which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT and will therefore be treated as leaving the REIT regime at the end of its accounting period preceding the takeover (and so ceasing from the end of this accounting period to benefit from tax exemptions on the profits of its Property Business and chargeable gains on disposal of property forming part of its Property Business). In these circumstances the properties in the Property Business are treated as having been sold and reacquired at market value for the purposes of UK corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax-free as they are deemed to have been made at a time when the acquired REIT was still in the REIT regime and future chargeable gains on the relevant assets will, therefore, be calculated by reference to a base cost equivalent to this market value. If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be recharacterised retrospectively as normal dividends.

5. **Exit from the REIT regime**

The Company can give notice to HMRC at any time that it wants the Group to leave the REIT regime.

If the Company voluntarily leaves the REIT regime within ten years of joining and disposes of any asset that was used in the Property Business within two years of leaving the REIT regime then any uplift in base cost of any property held by the Group as a result of the deemed disposal on entry into the REIT

regime, movement into the corporation tax ring fence around the Property Business or exit from the REIT regime would be disregarded in calculating the gain or loss on the disposal.

It cannot be guaranteed that the Group will be in continuing compliance with the REIT conditions at all times. HMRC may require the Group to exit the REIT regime if:

- it regards a breach of the conditions relating to the REIT regime (including in relation to the Property Business), or an attempt to obtain a tax advantage, as sufficiently serious;
- the Group or the Company has committed a certain number of breaches in a specified period; or
- HMRC has given members of the Group two or more notices in relation to the obtaining of a tax advantage within a ten-year period.

REIT status is also lost automatically and HMRC must be informed as soon as reasonably practicable if:

- the conditions for REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached;
- the Company ceases to be UK resident for tax purposes;
- the Company becomes dual-resident;
- the Company becomes an open-ended investment company; or
- in certain circumstances, the Company ceases to fulfil the close companies condition.

Where the Group automatically loses REIT status or is required by HMRC to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how the Group should be taxed, including in relation to the date on which the Group is treated as exiting the REIT regime.

It should be noted that it is possible for the Group to lose its REIT status 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 in other circumstances outside the Company's control.

6. The UK tax treatment of shareholders in a REIT

The following statements do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of New Ordinary Shares.

They relate only to Shareholders who are resident and domiciled for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their New Ordinary Shares as an investment (other than under an individual savings account, except insofar as express reference is made to the contrary) and who are the absolute beneficial owners of both the New Ordinary Shares and any dividends paid on them.

The tax position of certain categories of Shareholder who are subject to special rules, such as persons who acquire (or are deemed to acquire) their New Ordinary Shares in connection with an office or their (or another person's) employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the Group, persons holding New Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or resident in the UK, collective investment schemes and those who hold ten per cent. or more of the New Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC-approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme, or any person able to claim any inheritance tax relief or holding New Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Shareholder, a permanent establishment or otherwise).

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.

6.1 **Dividends**

When a REIT pays a dividend (including a stock dividend), that dividend will be a PID to the extent necessary to satisfy the 90 Per Cent Distribution Condition or the 100 Per Cent Distribution Condition. If the dividend exceeds the amount required to satisfy that condition, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business.

Any remaining balance of the dividend (or other distribution) will be a PID to the extent it is paid out of any remaining profits of the Property Business or gains which are exempt from tax by virtue of the REIT regime. Any further remaining balance will be a Non-PID Dividend.

6.2 **Non-PID Dividends**

Non-PID Dividends are treated in the same way as dividends received from UK companies that are not REITs. The Company is not required to withhold tax when paying a Non-PID Dividend.

6.2.1 *Shareholders who are individuals*

There is a nil rate of tax (the “**nil rate band**”) for the first £2,000 of dividend income received by an individual Shareholder who is resident for tax purposes in the UK in any tax year.

Non-PID dividend income in excess of the nil rate band (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates: 7.5 per cent. (to the extent it falls below the threshold for higher rate income tax); 32.5 per cent. (to the extent that it falls above the threshold for higher rate income tax and is below the higher rate band); and 38.1 per cent. (to the extent that it is within the additional rate). For the purposes of determining which of the taxable bands Non-PID dividend income falls into, dividend income is treated as the highest part of a Shareholder’s income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

6.2.2 *UK resident corporate Shareholders*

A UK resident corporate Shareholder will be liable to UK corporation tax unless the Non-PID dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. Exempt classes include dividends in respect of portfolio holdings (where the recipient owns less than 10 per cent. of the share capital of the payer) or dividends that are paid on “**non-redeemable ordinary shares**” for UK tax purposes.

If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on Non-PID dividends received from the Company at 19 per cent. (17 per cent. from 1 April 2020).

Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to determine whether Non-PID dividends received will be subject to UK corporation tax.

6.3 **PIDs**

6.3.1 *Shareholders who are individuals*

A PID will generally be treated in the hands of individuals as the profit of a single UK property business (as defined in Part 3 of the Income Tax (Trading and Other Income) Act 2005), subject to certain exceptions. Accordingly, Shareholders who are individuals will generally be subject to income tax on any PID at their marginal rate of income. A PID is, together with any PID from any other UK REIT, treated as a separate UK property business carried on by the relevant Shareholder. This means that any surplus expenses from any other property business of a Shareholder cannot be offset against a PID.

The £1,000 property income allowance introduced by Finance (No. 2) Act 2017 (and inserted at Part 6A of the Income Tax (Trading and Other Income) Act 2005) does not apply to PIDs.

Please also see paragraph 6.4 (withholding tax) below.

6.3.2 *UK resident corporate Shareholders*

A PID will generally be treated in the hands of its Shareholders who are within the charge to UK corporation tax as the profit of a property business (as defined in Part 4 CTA 2009). A PID is, together with any PID from another UK REIT, treated as a separate property business carried on by the relevant Shareholder and must be accounted for separately. This means that any surplus expenses from any other property business of a Shareholder cannot be offset against a PID.

Please also see paragraph 6.4 (withholding tax) below.

6.3.3 *Shareholders who are not resident for tax purposes in the UK*

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

Non-resident companies that carry on a UK property business will be charged to corporation tax (rather than income tax as at present) from 6 April 2020.

Please also see paragraph 6.4 (withholding tax) below.

6.4 **Withholding Tax**

6.4.1 *General*

Subject to certain exceptions summarised below, the Company is required to withhold income tax at the basic rate 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.

6.4.2 *Shareholders solely resident in the UK*

Where UK income tax has been withheld at source, individual Shareholders may, depending on their circumstances, either be liable to further tax on the PID at the applicable marginal rate or be entitled to claim repayment of some or all of the tax withheld on the PID.

Corporate Shareholders may, depending on their circumstances, be liable to pay UK corporation tax on their PID. However, it should be noted that where (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax, or income tax which they are required to withhold, in the accounting period in which the PID is received.

6.4.3 *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 with the UK for a PID to be paid by the Company gross or subject to withholding at a reduced rate. However, the Shareholder may be able to claim repayment of any part of the tax withheld from a PID, depending on the existence and terms of any such double taxation treaty between the UK and the country in which the Shareholder is resident for tax purposes.

6.4.4 *Exceptions to requirement to withhold income tax*

In certain circumstances, the Company is not required to withhold income tax at source from a PID. These circumstances include where the Company reasonably believes that the

person beneficially entitled to the PID is a company resident for tax purposes in the UK, a charity or a body mentioned in section 468 CTA 2010 which is allowed the same exemption from tax as a charity. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the sub-scheme administrator of certain sub-schemes or the account manager of an ISA, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

The Company will also not be required to withhold income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership each member of which is a body described in the paragraph above.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to receive the PID gross before paying any PID to such Shareholder. For that purpose, the Company will require such Shareholders to submit a valid claim form. Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

6.5 Disposal of Ordinary Shares

6.5.1 Shareholders who are individuals

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to UK capital gains tax in respect of any gain arising on the disposal of their shares. Subject to the availability of any exemptions, relief and/or allowable losses, a gain on the disposal of shares will be liable to tax at the current rates of 10 per cent. for basic rate tax payers and 20 per cent. for higher and additional rate tax payers. Shareholders who are temporarily non-resident in the UK may still be liable to UK tax on any capital gains realised (subject to any available exemption or relief).

6.5.2 UK resident corporate Shareholders

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax (currently at 19 per cent.) on chargeable gains arising on a disposal of shares, subject to the availability of any exemptions, reliefs and/or allowable losses.

Capital losses realised on a disposal of shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder) even if this reduces an individual Shareholder's total gain below the annual exemption. Any losses remaining can be carried forward without time limit and set off against net chargeable gains (i.e. after deducting the annual exemption) in the earliest later tax year. Capital losses generally cannot be carried back.

6.5.3 Shareholders who are not resident for tax purposes in the UK

With effect from April 2019, non-UK residents are now chargeable to UK tax on capital gains made on the disposal of all types of UK real property (both directly and indirectly). The new rules apply to the sale of shares in 'property rich' entities (i.e. those where 75 per cent. or more of the gross asset value derives from UK land).

Accordingly, a disposal of New Ordinary Shares by a non-UK resident will generally be within the scope of UK tax, subject to any available exemptions and reliefs (including any relief under an applicable double tax treaty). The exclusion which can apply to disposals of shares in UK property-rich vehicles by non-UK residents who hold less than a 25 per cent. interest does not apply to UK-property rich REITs and so is not expected to apply to disposals of New Ordinary Shares.

6.6 Transfer of assets abroad

The attention of individual Shareholders is drawn to the provisions contained in Chapter 2, Part 13 ITA 2007. These provisions are aimed at preventing the avoidance of income tax by

individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may apply where a UK resident person makes a relevant transfer to a non-resident person and, as a result, income from which the individual may benefit becomes payable to that non-resident person.

There are, however, provisions which provide exemption from a charge to income tax in the above circumstances provided that the individual satisfies the board of HMRC that either: (i) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or (ii) all the relevant transactions were genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of those transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

6.7 **Stamp duty and stamp duty reserve tax (“SDRT”)**

The comments in this paragraph 6.7 apply regardless of whether Shareholders are UK tax resident. No UK stamp duty or SDRT will be payable on the issue of Ordinary Shares.

In practice, UK stamp duty should generally not need to be paid on an instrument transferring the Ordinary Shares, provided that such instrument is executed and retained outside of the UK.

As the Company is incorporated in Guernsey no UK SDRT will be payable in respect of any agreement to transfer Ordinary Shares provided that the Ordinary Shares are not registered in any register of the Company kept in the UK.

6.8 **ISA, SSAS and SIPP**

Ordinary Shares acquired by a UK resident individual under the Offer for Subscription, Intermediaries Offer or in the secondary market (but not as part of the Placing or Open Offer) should be eligible to be held in an Individual Savings Account (“ISA”), subject to applicable annual subscription limits. Investments held in ISAs will be free of both UK income tax and capital gains tax. Individuals wishing to invest in shares through an ISA should contact their professional advisers regarding their eligibility.

Subject to the rules of the trustees of the relevant scheme, the Ordinary Shares should generally be eligible for inclusion in a small self-administered scheme (“SSAS”) or self-invested personal pension (“SIPP”) provided: (a) no member of the SSAS or SIPP (or person connected with such a member) occupies or uses any residential property held by the Group; and (b) the SSAS or SIPP, alone or together with one or more associated persons, does not directly or indirectly hold 10 per cent. or more of any of the Ordinary Shares, voting rights in the Company, rights to income of the Company, rights to amounts on a distribution of the Company or rights to assets on a winding up of the Company.

PART 12

GUERNSEY TAXATION

The following summary of the anticipated tax treatment in Guernsey applies to persons holding Ordinary Shares as an investment and the potential tax treatment, depending on the individual status of Shareholders, on investors resident in Guernsey. The summary does not constitute legal or tax advice and is based on taxation law and published practice in Guernsey at the date of this document, which is subject to change, possibly with retroactive effect. Prospective investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisers on the implications of making an investment in, holding or disposing of shares under the laws of the countries in which they are liable to taxation.

1. The Company

The Company has obtained exempt status for Guernsey tax purposes under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended (the “**Exempt Bodies Ordinance**”) by the Director of the Revenue Service in Guernsey for the current year.

Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200, provided the Company qualifies under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. The exemption from income tax and the treatment of the Company as if it were not resident in Guernsey for the purposes of Guernsey income tax would be effective from the date the exemption is granted and will apply for the year of charge in which the exemption is granted. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing from a source in Guernsey, other than from a relevant bank deposit. It is not anticipated that such Guernsey source income will arise in this case and therefore the Company is not expected to incur any liability to Guernsey tax.

Guernsey currently does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey grant of representation where the deceased dies leaving assets in Guernsey which require presentation of such a grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of Ordinary Shares.

2. Shareholders

Shareholders not resident for tax purposes in Guernsey (which includes Alderney and Herm for these purposes) will not be subject to income tax in Guernsey and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm, or who are not so resident but carry on business in Guernsey, Alderney or Herm through a permanent establishment with which their holding of shares is attributed, will be subject to income tax in Guernsey on any dividends paid on Ordinary Shares owned by them but will suffer no deduction of tax by the Company from any such dividend payable by the Company whilst the Company maintains exempt status.

The Company is required to provide the Director of the Revenue Service in Guernsey with such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of the Revenue Service may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. The Director of the Revenue Service can require the Company to provide the name and address of every Guernsey

resident who, on a specified date, has a beneficial interest in Ordinary Shares in the Company, with details of the interest.

Except as mentioned above, Shareholders are not subject to tax in Guernsey as a result of purchasing, owning or disposing of Ordinary Shares or either participating or choosing not to participate in a redemption of Ordinary Shares.

3. FATCA – the US-Guernsey IGA

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the United States (“**US-Guernsey IGA**”) regarding the implementation of FATCA. Under FATCA and legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are controlled by one or more natural persons who are, residents or citizens of the United States, unless a relevant exemption applies. Certain due diligence obligations also apply. Where applicable, information that will need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance, although it may not be subject to FATCA reporting obligations in Guernsey if and to the extent that it has actual knowledge that FATCA reports are made to HMRC in the UK under the UK’s implementation of FATCA.

Under the terms of the US-Guernsey IGA, Guernsey resident financial institutions that comply with the due diligence and reporting requirements of Guernsey’s domestic legislation will be treated as compliant with FATCA and, as a result, should not be subject to FATCA withholding on payments they receive and should not be required to withhold under FATCA on payments they make. If the Company does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) and (from no earlier than two years after the date of publication of certain final regulations defining “**foreign passthru payments**”) a portion of non-US source payments from certain non-US financial institutions to the extent attributable to US source payments. The US-Guernsey IGA is implemented through Guernsey’s domestic legislation in accordance with guidance that is published in draft form.

Under the US-Guernsey IGA, securities that are “regularly traded on an established securities market”, such as the main market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, the Ordinary Shares will be considered “regularly traded” if there is a meaningful volume of trading with respect to the Ordinary Shares on an ongoing basis. Notwithstanding the foregoing, an Ordinary Share will not be considered “regularly traded” and will be considered a financial account if the Shareholder is not a financial institution acting as an intermediary. Such Shareholders will be required to provide information to the Company to allow it to satisfy its obligations under FATCA, although it is expected that whilst an Ordinary Share is held in uncertificated form through CREST, the holder of that Ordinary Share will likely be a financial institution acting as an intermediary. Shareholders that own their Ordinary Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under FATCA.

4. Common Reporting Standard

On 13 February 2014, the Organisation for Economic Co-operation and Development released the “Common Reporting Standard” (“**CRS**”) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement (“**Multilateral Agreement**”) that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have signed the Multilateral Agreement and in total over 100 jurisdictions have committed to adopting the CRS. Many of these jurisdictions have now adopted the CRS. Guernsey adopted the CRS with effect from 1 January 2016.

Under the CRS and legislation enacted in Guernsey to implement the CRS, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that would need to be disclosed will include certain information

about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance. The CRS is implemented through Guernsey's domestic legislation in accordance with guidance that is supplemented by guidance issued by the OECD.

Under the CRS, there is currently no reporting exemption for securities that are "regularly traded" on an established securities market, although it is expected that whilst an Ordinary Share is held in uncertificated form through CREST, the holder of that Ordinary Share will likely be a financial institution acting as an intermediary. Shareholders that own their Ordinary Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

All prospective investors should consult with their own tax advisers regarding the possible implications of FATCA, the CRS and any other similar legislation and/or regulations on their investment in the Company.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Company could be subject to (in the case of the US-Guernsey IGA) US withholding tax on certain US source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shareholders (if any). There can be no assurance that the Company will be able to satisfy such obligations.

5. Request for Information

The Company has the right under the Articles to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA and the CRS, or any obligation arising under the implementation of any intergovernmental agreement, treaty or other agreement entered into in order to comply with, facilitate, supplement or implement any legislation, regulations or guidance that seeks to implement a similar tax reporting or withholding regime, including the US-Guernsey IGA and the Multilateral Agreement.

PART 13

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names are set out in paragraph 1 of Part 8 of this document, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and general

- 2.1 The Company was incorporated in Guernsey on 22 June 2015 under the name of Regional Commercial REIT Limited, and changed its name to UK Regional REIT Limited on 24 July 2015 and to Regional REIT Limited on 17 September 2015, with registered number 60527 as a non-cellular company limited by shares under the Companies Law.
- 2.2 On 6 November 2015 the then entire issued share capital of the Company was admitted to trading on the London Stock Exchange's main market for listed securities on 2015 Admission.
- 2.3 The principal legislation under which the Company operates is the Companies Law and the regulations made thereunder. The Ordinary Shares have been and will be duly authorised according to the requirements of the Company's constitution and have and will have all necessary statutory and other consents. The liability of the members is limited.
- 2.4 The Company's registered office is at Mont Crevelt House, Bulwer Avenue, St. Sampson, Guernsey, GY2 4LH (telephone number: +44 (0) 871 664 0300) and its principal place of business is at 7th Floor, 90 Long Acre, London WC2E 9RA (telephone number: +44 (0) 20 7845 6100).
- 2.5 The Company commenced operations on 6 November 2015 and has produced the financial information which is incorporated by reference into this document.
- 2.6 The Company is tax resident and domiciled in the United Kingdom and, as at the date of this document, does not have any employees and does not own any premises.
- 2.7 The Company has appointed RSM UK Audit LLP as auditors of the Company. RSM UK Audit LLP is regulated for audit services by the Institute of Chartered Accountants in Scotland.
- 2.8 The accounting date of the Company is 31 December. The annual report of the Company relating to each accounting period is expected to be available within four months of the accounting date of the Company. The first financial year of the Company ended on 31 December 2015.

3. Share and loan capital

- 3.1 The share capital of the Company consists of an unlimited number of shares of no par value which the Directors may classify into such classes as they may determine.
- 3.2 The Company was incorporated with one Ordinary Share issued fully paid at a price of £1.00 which was issued to the sole subscriber to the memorandum of incorporation of the Company. On 16 October 2015 the Company issued a further three Ordinary Shares.
- 3.3 Pursuant to a reorganisation that occurred prior to the 2015 Admission, the Company issued a further 274,217,260 Ordinary Shares fully paid at a price of £1.00 each. On 2015 Admission the Company's entire issued share capital of 274,217,264 Ordinary Shares was admitted to trading on the London Stock Exchange's Main Market for listed securities.
- 3.4 On 24 March 2017, the Company issued 26,326,644 Ordinary Shares.
- 3.5 On 21 December 2017, the Company issued a further 72,277,228 Ordinary Shares.

3.6 On 7 August 2018, the Company raised £50 million through an issue of 4.5 per cent. sterling bonds due 6 August 2024. At any time during the life of the bonds, investors are permitted to sell the bonds on the open market through their stockbroker.

3.7 The Company's issued and fully paid share capital as at the date of this document is as follows:

<i>Class</i>	<i>Number of issued shares</i>
Ordinary Shares	372,821,136

Subject to the passing of the Capital Raising Resolution, the Directors will have authority to allot the New Ordinary Shares proposed to be issued pursuant to the Capital Raising and are expected to resolve to issue such New Ordinary Shares shortly prior to Admission.

3.8 Save as disclosed in this document:

3.8.1 no share or loan capital of the Company has, since its incorporation, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the issue of the New Ordinary Shares), fully or partly paid, either for cash or for a consideration other than cash, to any person;

3.8.2 there has been no change in the amount of the issued share or loan capital of the Company since its incorporation;

3.8.3 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of any such company; and

3.8.4 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

3.9 The Company will be subject to the continuing obligations of the FCA with regard to the issue of shares for cash.

4. Subsidiary undertakings

4.1 As at the Latest Practicable Date the Company has the following subsidiary undertakings that are significant in terms of the Company's assets and liabilities, financial position or profits and losses:

<i>Name</i>	<i>Business Activity</i>	<i>Ownership interest Percentage of share capital and voting rights held (%)</i>	<i>Country of Incorporation</i>
Blythswood House LLP	Property Investment	100	Scotland
Regional REIT ZDP PLC (now in liquidation)	Finance company	100	England & Wales
Regional Commercial Midco Limited	Intermediate parent company	100	Jersey, Channel Islands
RR Aspect Court Limited	Property Investment	100	Jersey, Channel Islands
RR Bristol Ltd	Property Investment	100	Jersey, Channel Islands
RR Eureka SARL	Property investment	100	Luxembourg
RR Hounds Gate Limited	Property Investment	100	Jersey, Channel Islands
RR Rainbow (Aylesbury) Limited	Property Investment	100	Jersey, Channel Islands
RR Rainbow (North) Limited	Property Investment	100	Jersey, Channel Islands
RR Rainbow (South) Limited	Property Investment	100	Jersey, Channel Islands
RR Range Limited	Property investment	100	Jersey, Channel Islands
RR Sea Dundee Ltd	Property Investment	100	England & Wales

<i>Name</i>	<i>Business Activity</i>	<i>Ownership interest Percentage of share capital and voting rights held (%)</i>	<i>Country of Incorporation</i>
RR Sea Hanover Street Ltd	Property Investment	100	England & Wales
RR Sea Lamont I Ltd	Property Investment	100	Jersey, Channel Islands
RR Sea Lamont II Ltd	Property Investment	100	Jersey, Channel Islands
RR Sea Lamont III Ltd	Property Investment	100	Jersey, Channel Islands
RR Sea St. Helens Ltd	Property Investment	100	England & Wales
RR Sea Stafford Ltd	Property Investment	100	England & Wales
RR Sea Strand Ltd	Property Investment	100	England & Wales
RR Sea TAPP Ltd	Property Investment	100	Guernsey, Channel Islands
RR Sea TOPP Bletchley Ltd	Property investment	100	Guernsey, Channel Islands
RR Sea TOPP I Ltd	Property investment	100	Guernsey, Channel Islands
RR Skylar Limited	Property investment	100	Jersey, Channel Islands
RR Star Limited	Property Investment	100	Jersey, Channel Islands
RR UK (Central) Limited	Property investment	100	Jersey, Channel Islands
RR UK (Cheshunt) Limited	Property investment	100	Jersey, Channel Islands
RR UK (South) Limited	Property investment	100	Jersey, Channel Islands
RR UK (Port Solent) Limited	Property Investment	100	Jersey, Channel Islands
RR Wing Portfolio Limited	Property investment	100	Jersey, Channel Islands
Smallbrook Queensway Ltd	Property investment	100	Jersey, Channel Islands
Tay Properties Ltd	Property investment	100	Jersey, Channel Islands
TCP Arbos Ltd	Finance company	100	Jersey, Channel Islands
TCP Channel Ltd	Finance company	100	Jersey, Channel Islands
Tosca Chandlers Ford Limited	Property Investment	100	Jersey, Channel Islands
Tosca Churchill Way Limited	Property Investment	100	Jersey, Channel Islands
Tosca Garnet Limited	Property Investment	100	Jersey, Channel Islands
Tosca Midlands Limited	Property Investment	100	Jersey, Channel Islands
Tosca North East Limited	Property Investment	100	Jersey, Channel Islands
Tosca North West Limited	Property Investment	100	Jersey, Channel Islands
Tosca Rosalind Limited	Property Investment	100	Jersey, Channel Islands
Tosca Scotland Limited	Property Investment	100	Jersey, Channel Islands
Tosca South West Limited	Property Investment	100	Jersey, Channel Islands
Tosca Swansea Limited	Property Investment	100	Jersey, Channel Islands
Tosca Thorpe Park Limited	Property Investment	100	Jersey, Channel Islands
Tosca UK CP II Ltd	Intermediate parent company	100	Jersey, Channel Islands
Tosca UK CP Ltd	Intermediate parent company	100	Jersey, Channel Islands
Tosca Victory House Limited	Property Investment	100	Jersey, Channel Islands
Tosca Winsford Limited	Property Investment	100	Jersey, Channel Islands
Toscafund Bennett House Ltd	Property Investment	100	Jersey, Channel Islands
Toscafund Bishopgate Street Ltd	Property Investment	100	Jersey, Channel Islands
Toscafund Blythswood Ltd	Property Investment	100	Jersey, Channel Islands
Toscafund Brand Street Ltd	Property Investment	100	Jersey, Channel Islands
Toscafund Chancellor Court Ltd	Property Investment	100	Jersey, Channel Islands
Toscafund Crompton Way Ltd	Property Investment	100	Jersey, Channel Islands
Toscafund Espedair Limited	Property Investment	100	Jersey, Channel Islands
Toscafund Fairfax House Ltd	Property Investment	100	Jersey, Channel Islands
Toscafund Glasgow Ltd	Debt investment	100	Jersey, Channel Islands

<i>Name</i>	<i>Business Activity</i>	<i>Ownership interest Percentage of share capital and voting rights held (%)</i>	<i>Country of Incorporation</i>
Tosca Glasgow II Ltd	Property investment	100	England & Wales
Toscafund Harvest Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Milburn House Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Minton Place Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Newstead Court Ltd	Property investment	100	Jersey, Channel Islands
Toscafund North Esplanade Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Portland Street Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Sheldon Court Ltd	Property investment	100	Jersey, Channel Islands
Toscafund South Gyle Ltd	Property investment	100	Jersey, Channel Islands
Toscafund St Georges House Ltd	Property investment	100	Jersey, Channel Islands
Toscafund St James Court Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Strathclyde BP Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Wallington Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Welton Road Ltd	Property investment	100	Jersey, Channel Islands
Toscafund Westminster House Ltd	Property investment	100	Jersey, Channel Islands

5. Mandatory bids

- 5.1 The Takeover Code applies to the Company. The Takeover Code is issued and administered by the Panel on Takeovers and Mergers.
- 5.2 Under Rule 9 of the Takeover Code, (i) where a person acquires an interest in shares which (taken together with the shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company or (ii) where a person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of the Company, but does not hold shares carrying more than 50 per cent. of the voting rights of the Company, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in the Company in which he is interested, then in either case that person, together with the persons acting in concert with him, is normally required (except with the consent of the Takeover Panel) to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the Company within the preceding 12 months, to the holders of any class of equity share capital of the Company, whether voting or not, and also to the holders of any other transferable securities carrying voting rights.

6. Squeeze-out and sell-out rules

- 6.1 Ordinary Shares may be subject to compulsory acquisition in the event of a takeover offer which satisfies the requirements of Part XVIII of the Companies Law, or in the event of a scheme of arrangement under Part VIII of the Companies Law.
- 6.2 In order for a takeover offer to satisfy the requirements of Part XVIII of the Companies Law, the prospective purchaser must prepare a scheme or contract (in this paragraph, the “**Offer**”) relating to the acquisition of the Ordinary Shares and make the Offer to some or all of the Shareholders. If, within a period of four months following the making of the Offer, the Offer has been accepted by Shareholders holding 90 per cent. in value of the Ordinary Shares affected by the Offer, the purchaser may upon the threshold being reached (in this paragraph, a “**Notice to Acquire**”) to any Shareholder to whom the Offer was made but who has not accepted the Offer (in this paragraph, the “**Dissenting Shareholders**”) explaining the purchaser’s intention to acquire their Ordinary Shares on the same terms and, where the terms of the Offer provided a choice of

consideration giving particulars of the period and manner in which the Dissenting Shareholders must notify the purchaser of their choice and which consideration will apply, in default of notification. The Dissenting Shareholders have a period of one month from the Notice to Acquire in which to apply to the Court for the cancellation of the Notice to Acquire. Unless, prior to the end of that one month period the Court has cancelled the Notice to Acquire or granted an order preventing the purchaser from enforcing the Notice to Acquire, the purchaser may acquire the Ordinary Shares belonging to the Dissenting Shareholders by paying the consideration chosen by the relevant Dissenting Shareholders, which it will hold on trust for the Dissenting Shareholders.

- 6.3 A scheme of arrangement is a proposal made to the Court by the Company in order to effect an “**arrangement**” or reconstruction, which may include a corporate takeover in which the Ordinary Shares are acquired in consideration for cash or shares in another company. A scheme of arrangement is subject to the approval of a majority in number representing at least 75 per cent. (in value) of the members (or any class of them) present and voting in person or by proxy at a meeting convened by the Court and subject to the approval of the Court. If approved, the scheme of arrangement is binding on all Shareholders.
- 6.4 In addition, the Companies Law permits the Company to effect an amalgamation, in which the Company amalgamates with another company to form one combined entity. The Ordinary Shares would then be shares in the capital of the combined entity.

7. Summary of the Memorandum and the Articles of Incorporation of the Company

A summary of certain provisions of the Articles is set out below and a copy is available for inspection at the address specified in paragraph 2.4 of this Part 13.

7.1 Objects

The memorandum of incorporation of the Company provides that the objects and purposes of the Company are unrestricted.

7.2 Limited liability

The liability of the Company’s members is limited to any unpaid amount on the shares in the Company held by them.

7.3 Rights attaching to Ordinary Shares

7.3.1 As to voting

Subject to the rights of any Ordinary Shares which may be issued with special rights or privileges, holders of Ordinary Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.

Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in the case of a separate class meeting, have one vote in respect of each share held by him and, in the case of a general meeting of all Shareholders, have one vote in respect of each Ordinary Share held by him.

7.3.2 As to return of capital

As to a winding-up of the Company or other return of capital (other than by way of a repurchase of Ordinary Shares in accordance with the provisions of the Articles and the Companies Law), the surplus assets of the Company attributable to the Ordinary Shares remaining after payment of all creditors shall be divided amongst the holders of Ordinary Shares *pari passu* among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.

The manner in which distributions of capital proceeds realised from investments (net of fees and expenses) and attributable to the Ordinary Shares (“**Capital Proceeds**”) shall be effected shall, subject to compliance with the Companies Law, be determined by the

Directors in their absolute discretion and, once determined, shall be notified to Shareholders by way of an RIS announcement.

Without restricting the discretion of the Directors described above, the Directors may effect distributions of Capital Proceeds by (i) compulsorily redeeming a proportion of each Shareholder's holding of Ordinary Shares and paying the redemption proceeds to Shareholders on such terms and in such manner as the Directors may determine; or (ii) in such other manner as may be lawful.

7.3.3 *As to dividends and distributions*

Subject to the rights of any Ordinary Shares which may be issued with special rights or privileges, the Ordinary Shares carry the right to receive all income of the Company attributable to the Ordinary Shares, and to participate in any distribution of such income made by the Company, such income shall be divided *pari passu* among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.

The Directors may from time to time authorise dividends and distributions to be paid to Shareholders in accordance with the procedure set out in the Companies Law and subject to any Shareholder's rights attaching to their shares.

All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed on the earlier of (i) a period of six years after the date when it first became due for payment and (ii) the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

7.4 **Scrip Dividends**

7.4.1 The Directors may, if authorised by an Ordinary Resolution, offer any holders of any particular class of shares (excluding treasury shares) 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. The value of the further shares will be calculated by reference to the average of the middle market quotations for a share listed on the London Stock Exchange, for the day on which such shares are first quoted "ex" the relevant dividend and the four subsequent dealing days or in such other manner as the Directors may decide.

7.4.2 The Directors will give notice to the Shareholders of their rights of election in respect of the scrip dividend and will specify the procedure to be followed in order to make an election.

7.4.3 The further shares so allotted will rank *pari passu* in all respects with the fully paid shares of the same class then in issue except as regards participation in the relevant dividend.

7.4.4 The Board may from time to time establish or vary a procedure for election mandates, under which a holder of shares may, in respect of any future dividends for which a right of election is offered, elect to receive shares in lieu of such dividend on the terms of such mandate.

7.5 **Variation of share rights**

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated:

- with the consent in writing of the holders of more than 75 per cent. in number of the issued shares of that class; or
- with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class.

The necessary quorum at any separate class meeting shall be two persons present holding or representing by proxy at least one-third of the voting rights of the issued shares of that class (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the

reconvened meeting shall be one person present holding shares of that class or his proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of the class in question may demand a poll.

The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by (a) the creation or issue of further shares ranking *pari passu* therewith or (b) the purchase or redemption by the Company of any of its shares (or the holding of such shares as treasury shares).

7.6 Pre-emption rights

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of the Ordinary Shares. However, the Articles provide that the Company is not permitted to allot (for cash) equity securities (being Ordinary Shares or rights to subscribe for, or convert securities into, Ordinary Shares) or sell (for cash) any Ordinary Shares held in treasury, unless it shall first have offered to allot to each existing holder of Ordinary Shares on the same or more favourable terms a proportion of those Ordinary Shares the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the Ordinary Shares held by such Shareholder. These pre-emption rights may be excluded and disapplied or modified by extraordinary resolution of the Shareholders.

7.7 Transfer of shares

Subject to the Articles and the restrictions contained therein, as well as applicable foreign securities laws, a Shareholder may transfer all or any of his Ordinary Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.

A transfer of a certificated share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

The Articles provide that the Board has power to implement such arrangements as it may, in its absolute discretion, think fit in order for the Ordinary Shares to be admitted to settlement by means of an uncertificated system. If the Board implements any such arrangements, provision of the Articles will apply or have effect to the extent that it is in any respect inconsistent with:

- the holding of shares of the relevant class in uncertificated form;
- the transfer of title to shares of the relevant class by means of an uncertificated system; or
- the Regulations or the RCIS Rules.

Where the Ordinary Shares are, for the time being, admitted to settlement by means of an uncertificated system such securities may be issued in uncertificated form in accordance with and subject to the Regulations. Unless the Board otherwise determines, shares held by the same holder or joint holders in certificated form and uncertificated form will be treated as separate holdings. Ordinary Shares may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject to the Regulations. Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of an uncertificated system.

The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in certificated or uncertificated form subject to the Articles which is not fully paid or on which the Company has a lien provided that this would not prevent dealings in the shares from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may decline to transfer, convert or register a transfer of any share in certificated form or (to the extent permitted by the Regulations and the RCIS Rules) uncertificated form: (a) if it is in respect of more than one class of shares, (b) if it is in favour of more than four joint transferees, (c) if applicable, if it is delivered for registration to the registered office of the

Company or such other place as the Board may decide, not accompanied by the certificate for the shares to which it relates and such other evidence of title as the Board may reasonably require, (d) the transfer is in favour of any Non-Qualified Holder; or (e) in the transfer would make the Company a close company.

If any shares are owned directly, indirectly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring him either: (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder, or (ii) to sell or transfer his Ordinary Shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer and pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such shares. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his shares. If the Board in its absolute discretion so determines, the Company may dispose of the shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former holder.

The Board of Directors may decline to register a transfer of an uncertificated share which is traded through the CREST system in accordance with the CREST Regulations where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated shares is to be transferred exceeds four.

7.8 **Disclosure of interests in shares**

The Directors shall have power by notice in writing (a “**Disclosure Notice**”) to require a Shareholder to disclose to the Company the identity of any person other than the Shareholder (an “**interested party**”) who has any interest (whether direct or indirect) in the Ordinary Shares held by the Shareholder and the nature of such interest or has been so interested at any time during the three years immediately preceding the date on which the Disclosure Notice is issued. Any such Disclosure Notice shall require any information in response to such Disclosure Notice to be given in writing to the Company within 28 days of the date of service (or 14 days if the Ordinary Shares concerned represent 0.25 per cent. or more of the number of Ordinary Shares in issue).

If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the Ordinary Shares concerned represent 0.25 per cent. or more in number of the issued Ordinary Shares of the relevant class), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the member (a “**Direction Notice**”). The Direction Notice may direct that in respect of the Ordinary Shares in respect of which the default has occurred (the “**Default Shares**”) and any other Ordinary Shares held by the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the Ordinary Shares in issue, the Direction Notice may additionally direct that dividends on such Default Shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

The Directors may be required to exercise their power to require disclosure of interested parties on a requisition of Shareholders holding not less than 10 per cent. of the total voting rights attaching to the Ordinary Shares in issue at the relevant time.

In addition to the rights referred to above, the Board may serve notice on any Shareholder requiring that Shareholder to promptly provide the Company with any information, representations, certificates or forms relating to such Shareholder (or its direct or indirect owners or account holders) that the Board determines from time to time are necessary or appropriate for the Company to:

- satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under: (i) FATCA and any agreement relating thereto (including, any amendments, modification, consolidation, re-enactment or

replacement thereof made from time to time); (ii) the UK-Guernsey IGA; (iii) the multilateral competent authority agreement signed on 29 October 2014 by fifty-one jurisdictions (including Guernsey) which provides for the automatic exchange of FATCA-like information in line with the Common Reporting Standard issued by the Organisation for Economic Co-operation and Development; and/or the requirements of any similar laws or regulations to which the Company may be subject enacted from time to time by any other jurisdiction ("**Similar Laws**");

- avoid or reduce any tax otherwise imposed by FATCA or Similar Laws (including any withholding upon any payments to such Shareholder by the Company); or
- permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of the US Internal Revenue Code of 1986 or under Similar Laws.

If any Shareholder (a "**Defaulting Shareholder**") is in default of supplying to the Company the information referred to above within the prescribed period (which shall not be less than 28 days after the service of the notice), the Defaulting Shareholder shall be deemed to be a Non-Qualified Holder.

7.9 ***Changes in share capital***

The Company may by Ordinary Resolution:

- consolidate all or any of its shares into shares of larger amounts than its existing shares;
- subdivide all or any of its shares into shares of smaller amounts so that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more of the shares may have such preferred, deferred or other rights over the others as the Company has power to attach to unissued or new shares;
- cancel any shares which at the date of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled;
- redesignate or convert the whole, or any particular class, of its shares into shares of another class;
- convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other date as may be specified therein; and
- where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency or otherwise.

The Board on any consolidation of shares may deal with fractions of shares in any manner.

7.10 ***Restrictions on voting***

Unless the Board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid. No member of the Company shall, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a

Disclosure Notice (see paragraph 7.9 above) within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such Disclosure Notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

7.11 **Untraced Shareholders**

The Company shall be entitled to sell at the best price reasonably obtainable the shares of a Shareholder or any shares to which a person is entitled by transmission on death or bankruptcy if and provided that (i) for a period of 12 years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Shareholder or to the person so entitled to the share at his address in the register of members of the Company or otherwise the last known address given by the Shareholder or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Shareholder or the person so entitled provided that in such period of 12 years, the Company has paid out at least three dividends whether interim or final; (ii) the Company has at the expiration of the said period of 12 years by advertisement in a newspaper circulating in the area in which the address referred to in (i) above is located given notice of its intention to sell such shares; (iii) the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Shareholder or person so entitled; or (iv) if any part of the share capital of the Company is quoted on any stock exchange and the rules of such stock exchange so require, the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such shares.

7.12 **General meetings**

General meetings (which are annual general meetings) shall be held at least once in each calendar year and in any event, no more than 15 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in the United Kingdom or such other place as may be determined by the Board from time to time.

The notice must specify the date, time and place of any general meeting and the text of any proposed special and Ordinary Resolution. Any general meeting shall be called by at least ten clear days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.

The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Law.

7.13 **Directors**

7.13.1 *Number*

Unless otherwise determined by the Shareholders by Ordinary Resolution, the number of Directors shall not be less than two and there shall be no maximum number.

7.13.2 *Directors' shareholding qualification*

A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.

7.13.3 *Remuneration*

The Directors shall be entitled to receive fees for their services, such sums not to exceed in aggregate £300,000 in any financial year in aggregate (or such sum as the Company in general meeting shall from time to time determine). The Directors may be paid all reasonable travelling, hotel and other out of pocket expenses properly incurred by them in attending board or committee meetings or general meetings, and all reasonable

expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director.

The fees per annum of each Director pursuant to the NED Appointment Letters is as follows:

- Kevin McGrath – £73,500 per annum
- William Eason – £52,500 per annum
- Daniel Taylor – £52,500 per annum
- Frances Daley – £52,500 per annum
- Tim Bee and Stephen Inglis are not remunerated for their services as Directors.

7.13.4 *Rotation and appointment of Directors*

The Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Law.

No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.

Subject to the Articles, at each annual general meeting of the Company, all directors will retire from office and each Director may offer himself for election or re-election by the Shareholders.

A Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.

A Director may resign from office as a Director by giving notice in writing to that effect to the Company at its registered office, which notice shall be effective upon delivery to the registered office.

The office of a Director shall be vacated: (i) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by one month's written notice signed by him sent to or deposited at the Company's registered office; (ii) if he dies; (iii) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated; (iv) if he becomes bankrupt or makes any arrangements or composition with his creditors generally; (v) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment; (vi) if he is requested to resign by written notice signed by a majority of his co-Directors (being not less than two in number); (vii) if the Company by Ordinary Resolution shall declare that he shall cease to be a Director; or (viii) if he becomes ineligible to be a Director in accordance with the Companies Law.

7.13.5 *Alternate Directors*

Any Director may, by notice in writing, appoint any other person (subject to the provisions in the paragraph below), who is willing to act as his alternate and may remove his alternate from that office.

Each alternate Director shall be eligible to be a Director under the Companies Law and signs a written consent to act. Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

7.13.6 *Proceedings of the Board*

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.

The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

Questions arising at any meeting shall be determined by a majority of votes.

The Board may delegate any of its powers to committees consisting of one or more Directors as they think fit. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

7.13.7 *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property (present or future) or assets or uncalled capital and to issue other securities whether outright, or as collateral security for any debt, liability or obligation of the Company or of any third party.

7.13.8 *Directors' interests*

Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Directors the nature and extent of that interest.

Subject to the provisions of the Companies Law, and provided that he has disclosed to the Directors the nature and extent of any interests of his, a Director notwithstanding his office:

- may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine;
- may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body

corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;

- may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a Director of the Company; and
- may be counted in the quorum present at any meeting in relation to any resolution in respect of which he has declared an interest (but he may not vote thereon).

7.13.9 *Suspension of the determination of the Net Asset Value*

The Board shall have the power to determine that the Company shall suspend the determination of the Net Asset Value in any circumstances in which the Board in its absolute discretion deems necessary or desirable.

7.14 **Communication of documents and information**

A notice, document or other information may be given by the Company to any Shareholder either (i) personally; or (ii) by sending it by prepaid post addresses to such Shareholder at his registered address; or (iii) where appropriate, by sending or supplying it in electronic form to an address notified by the Shareholder for that purpose; (iv) by publishing it in La Gazette Officielle; or (v) where appropriate, by publication on a website in accordance with the Articles.

Subject to any longer periods required by the Companies Law, a notice will, unless the contrary is shown, be deemed to have been received:

- in the case of a notice sent by post to an address in the UK, Channel Islands or the Isle of Man, on the second day of posting;
- in the case of a notice sent by post elsewhere by airmail, on the third day after posting; or
- in the case of a notice sent by electronic means, immediately after it was transmitted in accordance with the Articles,

excluding, in the first two cases, any day which is a Saturday, Sunday, Good Friday, Christmas Day, a bank holiday in Guernsey or a day appointed as a day of public thanksgiving or public mourning in Guernsey. A notice given by advertisement will be published in at least one UK national newspaper and one daily newspaper circulated widely in Guernsey and will be deemed to have been served before noon on the day on which the advertisement appears. A notice given by publication in La Gazette Officielle will also be deemed to have been served before noon on the day on which the notice appears in La Gazette Officielle.

Any notice, document or other information made available on a website will be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to the Articles.

7.15 **Indemnities**

Subject to applicable law, the Company shall indemnify any Director and any director of a subsidiary of the Company against any liability except such (if any) as they shall incur by or through their own default, breach of trust, breach of duty or negligence and may purchase and maintain for any Director or any director of a subsidiary of the Company insurance against any liability.

The Company may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company or otherwise associated with the Company or in which the Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretion and/or otherwise in relation to

or in connection with their duties, powers or offices in relation to the Company or any such other body.

7.16 **Winding up**

If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members entitled to the same in specie and the liquidator or, where there is no liquidator, the Directors may for that purpose value any assets as he or they deem fair and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is a liability.

Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company, the liquidator may, with the sanction of an Ordinary Resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

7.17 **Substantial Shareholders**

The Articles contain provisions relating to Substantial Shareholders. The Company is a REIT. Under Part 12 CTA 2010 a tax charge may be levied on the Company if it makes a distribution to a company beneficially entitled (directly or indirectly) to 10 per cent. or more of the Ordinary Shares or dividends of the Company or which controls (directly or indirectly) 10 per cent. or more of the voting rights of the Company. If, however, the Company has taken “**reasonable steps**” to prevent the possibility of such a distribution being made, then this tax charge may not arise. The Articles:

- provide the Directors with powers to identify Substantial Shareholders (including giving notice to a Shareholder requiring him to provide such information as the Directors may require to establish whether or not he is a Substantial Shareholder);
- provide the Directors with powers to prohibit the payment of dividends on Ordinary Shares that form part of a Substantial Shareholding, if certain conditions are met;
- allow dividends to be paid on Ordinary Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Ordinary Shares;
- seek to ensure that if a dividend is paid on Ordinary Shares that form part of a Substantial Shareholding and arrangements of the kind referred to above are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend; and
- provide the Directors with powers if certain conditions are met, to require (1) a Substantial Shareholder; or (2) a Shareholder who has not complied with a notice served in accordance with the power referred to in the first bullet point above; or (3) a Shareholder who has provided materially inaccurate or misleading information in relation to the Substantial Shareholder provisions of the Articles, to dispose of such number of their shares as the Directors may specify, or to take such other steps as will cause the Directors to believe the Shareholder is no longer a Substantial Shareholder.

8. Directors

8.1 The business address of each of the Directors is set out in Part 8 of this document. The Directors are or have been directors or partners at any time in the five years immediately preceding the date of this document of the following companies and partnerships:

<i>Name</i>	<i>Current</i>	<i>Past</i>
Kevin McGrath	Sayers Court (Ealing) Management Company Limited INTCAS Limited The Old Vic Theatre Trust 2000 M&M Portfolio Limited The Clink Restaurant Company Limited Cool Investments Limited E-Cargobikes.Com Ltd The Clink Restaurant Company Limited The Arts Educational Schools The Clink Cafe Charity	Lyric Hammersmith Enterprises Limited (formerly called Luracourt Ltd) Lyric Theatre Hammersmith Limited New Education Trust Portfolio Reading UK Limited (formerly called M&M Portfolio (Reading) Limited)
William Eason	Henderson International Income Trust Plc The Gordon Foundation John Hampden Fund Marshall's Charity ABF The Soldiers' Charity Institutional Protection Services Limited Iowa Land Company Limited Teniwood Securities Limited Swan Walk Holdings Limited London Commercial and Mercantile Limited	The European Investment Trust Plc
Stephen Inglis	London & Scottish Student Housing Limited LSI West George Street Limited London & Scottish Property Asset Management Limited London & Scottish Investments Limited Shawglen Limited Squeeze Newco 2 Limited View Castle Limited (formerly known as Credential Investment Holdings Limited) Pharoahs Distribution (U.K.) Limited L&S REIT AM Limited London & Scottish Property Investment Management Limited Regional Property Investment Management Limited Regional Property Asset Management Limited	L&S (Straiton) Limited LSI SH Crown House LP Limited LSI REIT AM Limited LS Asset Management Limited Clyde Shopping Centre Limited Credential Asset Management Limited Credential Management Investments Limited London & Scottish Property Management Limited IH Property Asset Management Limited
Tim Bee	Toscafund GP Limited Toscafund Asset Management LLP Phoenix Film Partners LLP Tami Bidco Limited	Regus Avanta Vehicle Limited (formerly called Tosca Vehicle Limited)

<i>Name</i>	<i>Current</i>	<i>Past</i>
Daniel Taylor	Westchester Capital Limited Scent by Design Limited Conway Capital Limited Bourne Office Space Limited QC Ground Limited QC Holdings Limited The Queen's Club Limited Grosvenor Park 2004 Film Partnership No.1 LLP European Film Partners I LLP Grosvenor Park (Harris & Trotter) 2002 Film LLP Grosvenor Park 2003 Film Partnership No.1 LLP	Avanta Serviced Office Group Limited (formerly called Avanta Serviced Office Group plc) Grosvenor Park Media Limited
Frances Daley	Henderson Opportunities Trust Plc Dr Morton's Limited Baring Emerging Europe Plc Haven House Foundation James Allen's Girls School	FD Financial Solutions Limited

The above table does not include any member of the Group.

8.2 At the date of this document none of the Directors has:

- any convictions in relation to fraudulent offences for the previous five years;
- been declared bankrupt or been subject to any individual voluntary arrangement or been associated with any bankruptcy, receivership or liquidation in his capacity as a director or senior manager for the previous five years;
- been a director or senior manager, within the previous five years, of any company which has been subject to a receivership or liquidation (other than Regional REIT ZDP plc, which is currently in liquidation);
- been a partner or senior manager, within the previous five years, in any partnership which has been subject to a liquidation; and/or
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for the previous five years.

8.3 No Director has any potential conflicts of interest between their duties to the Company and their private interests and/or their duties to third parties.

8.4 With the exception of the Asset Management Agreement and Investment Management Agreement (details of which are set out in paragraphs 11.2 and 11.3 of this Part 13) the Company has not entered into any related party transactions at any time since its incorporation on 22 June 2015.

- 8.5 The table below sets out the voting rights (within the meaning of the Disclosure Guidance and Transparency Rules) held, directly or indirectly, by any of the Directors in respect of the share capital of the Company at the Latest Practicable Date:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>% of voting share capital</i>
Kevin McGrath*	297,030	0.08
Stephen Inglis	1,205,138	0.32
Daniel Taylor	350,000	0.09
William Eason	200,000	0.06
Tim Bee**	200,994	0.05
Frances Daley	30,000	0.01

* Held by his minor children

** Held by his spouse

- 8.6 Save as set out in paragraph 8.5 of this Part 13, no Director holds, at the Latest Practicable Date directly or indirectly, any voting rights in respect of the Company or any of its subsidiaries.

- 8.7 The table below sets out the voting rights (within the meaning of the Disclosure Guidance and Transparency Rules) held, directly or indirectly, by any of the Asset Manager, Investment Manager or any of their respective directors or senior managers in respect of the share capital of the Company at the Latest Practicable Date:

<i>Person</i>	<i>Number of Ordinary Shares</i>	<i>% of voting share capital</i>
Martin Hughes ⁸	27,154,198	7.28

- 8.8 So far as the Company is aware by virtue of notifications to it pursuant to the Disclosure Guidance and Transparency Rules as at the Latest Practicable Date the following persons (other than the Asset Manager, the Investment Manager, (or their respective directors or senior managers) and Directors) hold, directly or indirectly, voting rights in respect of five per cent or more of the Company's issued share capital:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>% of voting share capital</i>
AXA Investment Managers	18,778,679	5.03
Toscafund Investments Limited	27,154,198	7.28

- 8.9 Save as set out in paragraphs 8.5, 8.7 and 8.8 of this Part 13, the Company is not aware of any person who, at the Latest Practicable Date holds voting rights, directly or indirectly, in respect of five per cent. or more of the issued share capital of the Company.

- 8.10 The Company is not aware of any person who, at the Latest Practicable Date, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

- 8.11 None of the Shareholders referred to in paragraphs 8.5, 8.7 and 8.8 of this Part 13 has different voting rights from any other holder of Ordinary Shares.

- 8.12 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions, or significant to the business of the Group, and which:

- were effected by the Company during the current or immediately preceding financial year; or
- were effected by the Company during an earlier financial year and remain in any respect outstanding or unperformed.

8 By virtue of Martin Hughes' voting rights control of Toscafund Investment Limited.

9. NED Appointment Letters

- 9.1 The Non-executive Directors (other than Tim Bee and Frances Daley) were appointed on 3 November 2015. Tim Bee was appointed on 7 July 2017 and Frances Daley on 1 February 2018. The Non-executive Directors each entered into the NED Appointment Letters (Stephen Inglis on 22 June 2015, William Eason and Kevin McGrath on 16 October 2015 and Tim Bee on 7 July 2017). Frances Daley entered into a NED Appointment Letter on 1 February 2018.
- 9.2 There are no agreements with Directors which provide for benefits upon termination of their engagement.
- 9.3 There are no existing or proposed service agreements between any of the Directors and any member of the Group.

10. Pension and retirement benefits

Neither the Company nor the Group has accrued or set aside any amounts to provide pension, retirement or similar benefits.

11. Material contracts

Below is a summary of (i) each material contract (other than a contract entered into in the ordinary course of business) to which the Company or any member of the Group is a party which has been entered into within the two years immediately preceding the date of this document; and (ii) any other contract (other than a contract entered into in the ordinary course of business) entered into by the Company or any member of the Group which contains obligations or entitlements which are or may be material to the Group as at the date of this document.

11.1 *The Placing Agreement*

Pursuant to the Placing Agreement between the Company, the Asset Manager, the Investment Manager and Peel Hunt on 24 June 2019, subject to certain conditions, Peel Hunt has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price.

The obligations of Peel Hunt to procure subscribers for Placing Shares are conditional upon certain conditions that are customary for an agreement of this nature. These conditions include, among others: (i) this document being formally approved by the FCA; (ii) the Company complying until Admission with its obligations under the Prospectus Rules; and (iii) Admission occurring not later than 8.00 a.m. on 23 July 2019 (or such later date as may be agreed between the Company and Peel Hunt, being not later than 8.00 a.m. on 9 August 2019).

The Placing Agreement may be terminated by Peel Hunt at any time prior to Admission in certain customary circumstances set out in the Placing Agreement. If these termination rights are exercised, Admission will not go ahead and any and all monies received in respect of the Placing will be returned to Placees.

The Placing Agreement provides for Peel Hunt to be paid (i) a corporate finance fee; and (ii) an amount equal to 1.75 per cent. of the Issue Price multiplied by the aggregate number of New Ordinary Shares issued pursuant to the Capital Raising. Peel Hunt may, at its discretion and out of its own resources at any time rebate to some or all investors, or to other parties, part or all of its fees relating to the Capital Raising. Peel Hunt is also entitled to retain agents and may pay commission in respect of the Capital Raising to any or all of those agents out of its own resources.

The Company has agreed to pay the costs and properly incurred expenses (excluding any amounts of or in respect of tax) of, and incidental to, the Capital Raising, including the fees payable to the FCA and the LSE.

The Company, the Asset Manager and the Investment Manager (in the case of the Asset Manager and Investment Manager, subject to certain limitations) have each given warranties and undertakings to Peel Hunt, including concerning the accuracy of the information contained in this document. The Company has given certain indemnities to Peel Hunt, including for liabilities under

applicable securities laws. The warranties and indemnities given by the Company are standard for an agreement of this nature.

The Placing Agreement is governed by the laws of England and Wales.

11.2 **Asset Management Agreement**

Pursuant to the Asset Management Agreement, the Asset Manager provides property management services and advice to the Company, Midco and SPVs, subject to the investment objective of the Company and the Investment Policy and the overall supervision of the boards of the entity to which the particular property management services are provided. The Asset Manager and the Company are required to procure that, in respect of each Portfolio Interest which is acquired by an SPV, a Property Manager is appointed pursuant to a Property Management Agreement.

The Asset Management Agreement shall continue in full force and effect for an initial period of five years from 6 November 2015 (the “**Initial Period**”). The Company or Midco or the Asset Manager may terminate the Asset Management Agreement by giving notice at any time on or before the expiry of the Initial Period, in which case it shall terminate one year after the expiry of the Initial Period. If no notice is given on or before the expiry of the Initial Period, the Asset Management Agreement shall continue for recurring three year periods (“**Subsequent Periods**”). The Company, Midco or the Asset Manager may terminate the Asset Management Agreement by giving notice no later than one year prior to the end of that Subsequent Period, in which case it shall terminate at the end of that Subsequent Period.

Notwithstanding the Initial Period, the Asset Management Agreement may also be terminated with immediate effect earlier in certain circumstances, including a material unremedied breach by the Asset Manager (by notice from the Company or Midco) or by the Investment Manager, the Company, Midco or any SPV (by notice from the Asset Manager). The Company or Midco may terminate the Asset Management Agreement with immediate effect by giving written notice to the Asset Manager in the event of the liquidation or insolvency (or analogous event) of the Asset Manager.

At any time after the later of (i) the fifth anniversary of the date of the Asset Management Agreement and (ii) the first date on which EPRA NAV exceeds £750,000,000, the Board, the Asset Manager and the Investment Manager may decide, with the approval of an Ordinary Resolution (upon which neither the Asset Manager nor its associates may vote) that individuals providing the services under the Asset Management Agreement are to become an internal resource of the Company in lieu of the appointment of the Asset Manager under the Asset Management Agreement.

The Asset Manager shall only be liable (on an indemnity basis) to the Company, Investment Manager, Midco and any SPV in respect of loss resulting from the fraud, negligence, bad faith or wilful default of or breach of the agreement by the Asset Manager. The Asset Manager and its associates and their respective officers, directors and employees shall be entitled to be indemnified by the Company, Midco and the SPVs against any liabilities, costs and expenses incurred or threatened against them, except for losses resulting from the fraud, negligence, bad faith or wilful default of or breach of the agreement by the relevant person.

The Asset Manager shall be entitled in each financial year (or part thereof) to 50 per cent. of the following fees:

- An annual management fee on a scaled rate of 1.1 per cent. of EPRA NAV, reducing to 0.9 per cent. on assets over £500,000,000 or higher (the “**Management Fee**”). The Management Fee shall be calculated by reference to the most recent of the half-yearly calculated EPRA NAV.
- A performance fee at a rate equal to the product of (i) 15 per cent. of Shareholder Returns in excess of the Hurdle for each Performance Period and (ii) the number of Ordinary Shares in issue as at the last day of such Performance Period (the “**Performance Fee**”). A Performance Fee is only payable in respect of a performance period where the year-end EPRA NAV per Share for such Performance Period exceeds the High Water Mark.

“Shareholder Returns” for any financial year means the sum of (i) any increase or decrease in EPRA NAV per Share and (ii) the total dividends per Ordinary Share that are declared, in each case during such financial year (each such financial year, a **“Performance Period”**), save that the first Performance Period commenced on the date of 2015 Admission and ended on 31 December 2018.

“Hurdle”, in any given Performance Period, means 8 per cent. of the year-end EPRA NAV per Share in the previous Performance Period.

The **“High Water Mark”** is equal to the greater of the highest year-end EPRA NAV per Share in any previous Performance Period and the Issue Price.

The Asset Management Agreement contains a provision whereby the Performance Fee can be adjusted by the Administrator upon the instruction of the Company, if necessary, to take into account the effect on it of corporate actions entailing changes to the Company’s issued share capital, including, without limitation, new issues, share buy-backs, consolidations, sub-divisions or bonus issues or other restructurings or reorganisations affecting the Company’s issued share capital.

The Performance Fee is payable as follows:

- the first Performance Fee was calculated on 31 December 2018 and paid as to (i) 50 per cent. in cash; and (ii) 50 per cent. in Ordinary Shares; and
- the second and all subsequent Performance Fees are to be calculated and paid annually (commencing 1 January 2019) and paid as to (i) 34 per cent. in cash; and (ii) 66 per cent. in Ordinary Shares (33 per cent. of which are subject to a one year lock-in period, and 33 per cent. are subject to a two year lock-in period), provided that any such Ordinary Shares shall be issued at the prevailing price per Ordinary Share on the date of issue or, if the prevailing price per Ordinary Share is below NAV, the Ordinary Shares shall be acquired in the market on behalf of the Asset Manager.

There is no direct contractual relationship between the Shareholders and the Asset Manager. Shareholders therefore have no direct contractual rights against the Asset Manager and there are only limited circumstances in which a Shareholder may potentially bring a claim against the Asset Manager.

11.3 **Investment Management Agreement**

Pursuant to the Investment Management Agreement, the Investment Manager provides such services to the Company that are required to be carried out by an AIFM under the AIFM Directive (subject to the investment objective of the Company, the Investment Policy and the overall supervision of the Board) and certain other services to Midco and the SPVs (subject to the overall supervision of the boards of the entity to which the particular services are provided). The Investment Management Agreement shall continue in full force and effect for an initial period of five years from 6 November 2015 (the **“Initial Period”**). The Company or the Investment Manager may terminate the Investment Management Agreement by giving notice at any time on or before the expiry of the Initial Period, in which case it shall terminate one year after the expiry of the Initial Period. If no notice is given on or before the expiry of the Initial Period, the Investment Management Agreement shall continue for recurring three year periods (**“Subsequent Periods”**). The Company or the Investment Manager may terminate the Investment Management Agreement by giving notice no later than one year prior to the end of that Subsequent Period, in which case it shall terminate at the end of that Subsequent Period.

Notwithstanding the initial term, the Investment Management Agreement shall terminate with immediate effect earlier in certain circumstances, including the Investment Manager ceasing for any reason to be authorised under FSMA to carry out the regulated activity of managing an AIF, or the Investment Manager committing a material breach of its obligations either (i) not capable of being remedied (after the Company has served notice to terminate) or (ii) which is capable of being remedied and failing to remedy the same within 30 days after service of notice by the Company requesting the same to be remedied.

At any time after the later of (i) the fifth anniversary of the date of the Investment Management Agreement and (ii) the first date on which EPRA NAV exceeds £750,000,000, the Board and the Investment Manager may decide, with the approval of an Ordinary Resolution (upon which neither the Investment Manager nor its associates may vote) that individuals providing the services under the Investment Management Agreement are to become an internal resource of the Company in lieu of the appointment of the Investment Manager under the Investment Management Agreement.

None of the Investment Manager, its associates or its associates' members, managers, directors, officers, partners, controlling persons, shareholders, employees or agents (the "**Indemnified Parties**") will be liable for any losses, and they will be entitled to be indemnified by the Company, save in respect of an Indemnified Party's fraud, gross negligence or wilful misconduct. The Company, Midco and the SPVs shall indemnify the Indemnified Parties in respect of any liability they incur in connection with the Investment Manager's services under the Investment Management Agreement, except in respect of the Indemnified Party's fraud, gross negligence or wilful misconduct.

The Investment Manager shall be entitled in each financial year (or part thereof) to 50 per cent. of the following fees:

- An annual management fee on a scaled rate of 1.1 per cent. of EPRA NAV, reducing to 0.9 per cent. on assets over £500,000,000 or higher (the "**Management Fee**"). Such fee shall be payable in cash quarterly in arrears. The Management Fee shall be calculated by reference to the most recent half-yearly calculated EPRA NAV.
- A performance fee at a rate equal to the product of (i) 15 per cent. of Shareholder Returns in excess of the Hurdle for each Performance Period and (ii) the number of Ordinary Shares in issue as at the last day of such Performance Period (the "**Performance Fee**"). A Performance Fee is only payable in respect of a Performance Period where the year-end EPRA NAV per Share for such Performance Period exceeds the High Water Mark.

"**Shareholder Returns**" for any financial year means the sum of (i) any increase or decrease in EPRA NAV per Share and (ii) the total dividends per Ordinary Share that are declared, in each case during such financial year (each such financial year, a "**Performance Period**"), save that the first Performance Period commenced on the date of 2015 Admission and ended on 31 December 2018.

"**Hurdle**", in any given Performance Period, means 8 per cent. of the year-end EPRA NAV per Share in the previous Performance Period.

The "**High Water Mark**" is equal to the greater of the highest year-end EPRA NAV per Ordinary Share in any previous Performance Period and the issue price.

The Investment Management Agreement contains a provision whereby the Performance Fee can be adjusted by the Administrator upon the instruction of the Company, if necessary, to take into account the effect on it of corporate actions entailing changes to the Company's issued share capital, including, without limitation, new issues, share buy-backs, consolidations, sub-divisions or bonus issues or other restructurings or reorganisations affecting the Company's issued share capital.

The Performance Fee is payable as follows:

- the first Performance Fee was calculated on 31 December 2018 and paid as to (i) 50 per cent. in cash; and (ii) 50 per cent. in Ordinary Shares; and
- the second and all subsequent Performance Fees are to be calculated and paid annually (commencing 1 January 2019) and paid as to (i) 34 per cent. in cash; and (ii) 66 per cent. in Ordinary Shares (33 per cent. of which are subject to a one year lock-in period, and 33 per cent. are subject to a two year lock-in period), provided that any such Ordinary Shares shall be issued at the prevailing price per Ordinary Share on the date of issue or, if the prevailing price per Ordinary Share is below NAV, the Ordinary Shares shall be acquired in the market on behalf of the Investment Manager.

There is no direct contractual relationship between the Shareholders and the Investment Manager. Shareholders therefore have no direct contractual rights against the Investment Manager and there are only limited circumstances in which a Shareholder may potentially bring a claim against the Investment Manager.

11.4 **2017 Placing Agreement**

On 5 December 2017, the Company, the Asset Manager, the Investment Manager, Peel Hunt and Cenkos Securities plc ("**Cenkos**") entered into the 2017 Placing Agreement. Pursuant to the terms of the 2017 Placing Agreement, Peel Hunt and Cenkos agreed to use their reasonable endeavours to procure subscribers for Ordinary Shares, subject to certain customary conditions.

Each of Peel Hunt and Cenkos received commissions in respect of their services under the 2017 Placing Agreement.

11.5 **Property Management Agreements**

In respect of each Portfolio Interest, the Asset Manager has procured and shall, with the Company, in future procure that London & Scottish Property Asset Management Limited, or such other suitably qualified property manager as the Asset Manager may determine, is appointed to act as property manager (the "**Property Manager**"). Any future appointment shall be effected under a Property Management Agreement, the form of which has been agreed pursuant to the Asset Management Agreement (which form is substantially the same as all Property Management Agreements entered into prior to the date of the Asset Management Agreement). The counterparty to each Property Management Agreement is, and shall be, an SPV.

Under the Property Management Agreement, the Property Manager has duties in relation to the collection of income, settlement of outgoings, maintenance of accounts, inspections, property and maintenance contracts, rent reviews, lease renewals, break options and re-lettings, repairs, employment of staff, marketing and promotion.

The Property Manager is entitled to a fee equal to 4 per cent. per annum of the gross rental yield from the Portfolio Interest for each quarter. "**Gross rental yield**" shall mean for this purpose the rents due under the Portfolio Interest's lease for the peaceful enjoyment of the Portfolio Interest, including any value paid in respect of rental renunciations but excluding any sums paid in connection with service charges or insurance costs.

Except in cases arising out of the negligent or wrongful acts or default of the Property Manager or any person, firm or company employed by the Property Manager, the SPV will indemnify the Property Manager against claims arising in connection with the Portfolio Interest. The SPV will also indemnify the Property Manager in respect of certain claims made by employees engaged pursuant to the Property Management Agreement including certain claims arising in connection with the termination of the appointment of the Property Manager or following the disposal of a Portfolio Interest. The Property Manager shall not be liable to the SPV for any loss incurred in relation to injury to persons or property arising out of the condition of a Portfolio Interest unless such condition has been previously advised and not acted upon or unless arising from the failure of the Property Manager to perform its duties.

11.6 **Administration Agreement**

The Company and the Administrator entered into the Administration Agreement on 23 October 2015 pursuant to which the Administrator was appointed as administrator of the Company. Under the terms of the Administration Agreement, the Administrator is responsible for certain of the Company's general administrative functions such as maintaining Company's records and statutory registers, and acting as the Company's designated Administrator.

An annual fee of £36,800 is payable by the Company to the Administrator.

The Administration Agreement automatically renews for 12 month periods unless notice of termination is served by either party at least 90 days prior to the end of each period.

There is no direct contractual relationship between the Shareholders and the Administrator. Shareholders therefore have no direct contractual rights against the Administrator and there are

only limited circumstances in which a Shareholder may potentially bring a claim against the Administrator.

11.7 **Company Secretary Agreement**

The Company and the Company Secretary entered into the Company Secretary Agreement on 2 November 2015, pursuant to which the Company Secretary was appointed as company secretary of the Company. Under the terms of the Company Secretary Agreement, the Company Secretary is responsible for providing secretarial functions to the Company such as board and committee support, providing corporate governance advice, providing regulatory and compliance advice and overseeing the production of accounts.

A fee of £5,000 in respect of support at each quarterly board meeting, and £7,500 in respect of support at each annual general meeting, will be payable by the Company to the Company Secretary. Advice in respect of AIC Code of Corporate Governance, the Listing Rules and the Disclosure Guidance and Transparency Rules compliance is charged at £25,000 per annum.

The Company Secretary Agreement automatically renews for 12 month periods unless notice of termination is served by either party at least six months prior to the end of each period.

There is no direct contractual relationship between the Shareholders and the Company Secretary. Shareholders therefore have no direct contractual rights against the Company Secretary and there are only limited circumstances in which a Shareholder may potentially bring a claim against the Company Secretary.

11.8 **Registrar Agreement**

The Company and the Registrar entered into the Registrar Agreement on 3 November 2015, pursuant to which the Registrar was appointed as registrar of the Company. Under the terms of the Registrar Agreement, the Registrar is responsible for functions such as maintaining and updating the register of members of the Company on a daily basis, daily reconciliation of CREST account movements with Euroclear, and preparing, sealing and issuing new share certificates of the Company in accordance with the Articles.

An annual fee of £2.11 per holder of Ordinary Shares appearing on the Company's register during the fee year (subject to a minimum charge per annum of £7,000 shall be payable by the Company to the Registrar. In addition, the Registrar will charge the Company (i) a £0.27 fee for each CREST transfer; (ii) a £5.27 fee for each non-CREST transfer; and (iii) £1,400 fee for each dividend declared and paid.

The Registrar Agreement automatically renews for 12 month periods unless notice of termination is served at least 90 days prior to the end of each period.

There is no direct contractual relationship between the Shareholders and the Registrar. Shareholders therefore have no direct contractual rights against the Registrar and there are only limited circumstances in which a Shareholder may potentially bring a claim against the Registrar.

11.9 **Receiving Agent Agreement**

Pursuant to the Receiving Agent Agreement, Link Asset Services has been appointed as receiving agent for the Company. The Receiving Agent will provide receiving agent duties and services to the Company in respect of the Capital Raise.

Under the Receiving Agent Agreement, the Receiving Agent will receive fees in such amount as agreed in writing from time to time between the Receiving Agent and the Company.

The Receiving Agent Agreement limits the Receiving Agent's liability thereunder to the lesser of £250,000 or an amount equal to five times the fee payable to the Receiving Agent pursuant to the Receiving Agent Agreement.

The Receiving Agent Agreement is governed by the laws of England.

11.10 **Depositary Agreement**

The Company, the Investment Manager and the Depositary entered into the Depositary Agreement on 2 November 2015, pursuant to which the Depositary was appointed as the depositary of the Company. Under the terms of the Depositary Agreement, the Depositary is responsible for ensuring that the Company's cash flows are properly monitored, the safekeeping of certain property entrusted to it by the Company and the oversight and supervision of the Company and the Investment Manager.

The Depositary is entitled to a fee of £42,000 per annum. If additional SPVs are added to the Group, there will be a one-off fee of £500 and the annual fee will also increase by £250 per annum.

The Depositary Agreement may be terminated by any party by giving at least 90 days' notice of termination.

11.11 **Facility agreements**

Certain Group companies have obtained external debt finance in relation to certain of the properties within the Property Portfolio. A summary of the borrowings of the Group in relation to the Property Portfolio is set out in the table below.

Total Amount Outstanding as at 31 December 2018:

<i>Debt provider</i>	<i>Borrower</i>	<i>Maturity date</i>	<i>Outstanding amount (£m)</i>
Scottish Widows Ltd	RR Star Limited	December 2028	36.000
Royal Bank of Scotland	RR UK (Central) Limited/ RR UK (Cheshunt) Limited/ RR UK (South) Limited	December 2021	26.458
HSBC	Sea Portfolio	December 2021	19.003
Santander UK	Toscafund Glasgow Limited/Toscafund Glasgow II Limited/ RR Bristol Limited/ RR Eureka S.á.r.l	November 2022	44.026
Scottish Widows Ltd & Aviva Investors Real Estate Finance	RR Range Limited	December 2027	165.000
Zero Dividend Preference Shares*	Midco	January 2019	39.820
Retail eligible bond		August 2024	50.000
Total borrowings			380.307

* On 10 January 2019 the Company announced the repayment of the ZDP shares in full.

Source: Investment Manager

The table below sets out (i) loan to value ratios in respect of the facility in each relevant special purpose vehicle in relation to the aggregate value of the secured assets of that facility; and (ii) the aggregate loan to value ratio of all facilities of the Group in relation to the aggregate value of the secured and unsecured assets of the Group.

<i>Borrower</i>	<i>Gross LTV Ratio* (company valuation)</i>
RR Star Limited	38.5%
RR UK (South) Limited and others	45.9%
RR UK (South) Limited and others	50.8%
RR Sea Hanover Street Limited and others	36.7%
Toscafund Glasgow Limited and others	45.4%
RR Range Limited	38.5%

* Based on cash balance as at 31 May 2019.

Source: Investment Manager

The proceeds of these external financings were on-loaned by the relevant borrowing companies to certain of their subsidiaries and, in the case of Toscafund Glasgow Limited, to partially refinance the shareholder debt used to fund the purchase of the CIHL Receivables and secured over the assets of the CIHL Group, with such loans (and as regard Toscafund Glasgow Limited, security over the CIHL Group) being subordinated to the liabilities owed to the relevant lender of the external financings (and, in the case of the CIHL Group, security).

The arrangements pursuant to each facility agreement are as follows.

11.11.1 *RR Range Limited*

RR Range Limited has borrowed £165.0 million from Scottish Widows Limited, Aviva Commercial Finance Limited and Aviva Investors Multi Asset Alternative Income SA and on-lent such monies to 28 property-holding special purpose vehicles. These property-holding special purpose vehicles have each guaranteed the obligations of RR Range Limited to the lenders.

The facility has a fixed rate of 3.28 per cent. The facility agreement contains customary undertakings and events of default.

The facility agreement also contains certain financial covenants. Historic interest cover must not be less than 250 per cent. until 31 December 2019 and 300 per cent. thereafter. Projected interest cover must be not less than 250 per cent. until 31 December 2019 and 300 per cent. thereafter. Loan to value must be not more than 60 per cent. at all times.

11.11.2 *Toscafund Glasgow Limited and others*

Toscafund Glasgow Limited and other subsidiaries of the Company, has borrowed monies from Santander UK (of which approximately £43.9m remains outstanding as at 31 May 2019) to:

- refinance the prior acquisition by Toscafund Glasgow Limited of a portfolio of loan receivables owed by View Castle Limited (formerly known as Credential Investment Holdings Limited). This facility is secured against the assets of a number of subsidiaries of View Castle Limited; and
- finance the acquisition of 19 investment properties and the facility is secured against these assets.

The applicable rate of interest is LIBOR plus 2.15 per cent. per annum plus mandatory costs. The facility agreement contains customary undertakings and events of default. The facility agreement also contains certain financial covenants. Historic interest cover must not be less than 350 per cent. at all times. Projected interest cover must be not less than 350 per cent. at all times. Loan to value must be not more than 57.5 per cent. at all times.

On 18 June 2019, the facility amount was increased to £66m and the term extended to 18 June 2029. A further 18 properties are now secured against this facility to support the increase. This amendment has resulted in the applicable rate of interest increasing to LIBOR plus 2.20 per cent. per annum plus mandatory costs and the financial covenants have been amended, such that:

- historic interest cover must not be less than 300 per cent. at all times;
- projected interest cover must be not less than 300 per cent. at all times; and
- loan to value must be not more than 60 per cent. until the fifth anniversary of the amended facility being signed and 50 per cent. thereafter.

11.11.3 *RR Star Limited*

RR Star Limited has borrowed £36.0 million from Scottish Widows Limited to refinance 19 assets.

The facility has a fixed rate of 3.3718 per cent. The facility agreement contains customary undertakings and events of default.

The facility agreement also contains certain financial covenants. Historic interest cover must not be less than 275 per cent. at all times. Projected interest cover must be not less than 225 per cent. at all times. Loan to value must be not more than 60 per cent. at all times.

11.11.4 *RR UK (South) Limited and other*

RR UK South Limited and other subsidiaries of the Company have borrowed £26.5 million from The Royal Bank of Scotland plc to acquire 6 assets.

The applicable rate of interest is LIBOR plus 2.00 per cent. per annum plus mandatory costs. The facility agreement contains customary undertakings and events of default. The facility agreement also contains certain financial covenants. Historic interest cover must not be less than 300 per cent. at all times. 'Debt to rent cover' must not exceed 800 per cent. until 20 December 2019 and 750 per cent. thereafter. Loan to value must be not more than 60 per cent. at all times.

On 19 June 2019, the facility amount was increased to £55m and the term extended to 19 June 2024 with the borrower having the ability to request for an extension by one year each following the first and second anniversaries of the date of the amended facility being signed. The granting of these extensions is at the discretion of the lender. The increase will partly fund the refinancing of the Sea Portfolio facility (see below). In addition, a further 13 properties are now secured against this facility to further support the increase. This amendment has resulted in the applicable rate of interest increasing to LIBOR plus 2.15 per cent. per annum plus mandatory costs and the financial covenants have been amended, such that:

- historic interest cover must not be less than 275 per cent. at all times;
- 'debt to rent cover' must not exceed 1000 per cent. until the third anniversary of the amended facility being signed and 900 per cent. thereafter; and
- loan to value must be not more than 60 per cent. at all times.

11.11.5 *Sea Portfolio*

RR Sea St. Helens Ltd., RR Sea Dundee Ltd., RR Sea Hanover Street Ltd., and RR Sea Strand Ltd., borrowed £18.9 million from HSBC Bank PLC which is secured against the property assets held by the companies.

The applicable rate of interest is LIBOR plus 2.15 per cent. per annum. The facility agreement contains customary undertakings and events of default.

The facility agreement contains certain financial covenants. Historic and projected interest cover must not be less than 200 per cent. at all times. Historic and projected debt service cover must not be less than 120 per cent. at all times. Loan to value must not be greater than 65 per cent. at all times.

11.11.6 *Regional REIT Limited*

The Company has issued £50m of sterling denominated 4.5 per cent. bonds due August 2024 (the "**Bonds**").

Interest is paid twice per annum, on 6 February and 6 August until the maturity date. The Bonds' terms and conditions contain financial covenants. Consolidated interest cover must not be less than 200 per cent. at all times. No new debt will be incurred by the Bond issuer or its subsidiaries where that debt would increase consolidated loan to value including all debt above 75 per cent. or 60 per cent. only including secured debt.

11.12 *Hedging arrangements*

Hedging is considered in each case as debt is procured, and independent advice obtained on the appropriateness and structure taking into account the type of assets acquired, lease lengths and anticipated hold period. Hedging is, where appropriate, profiled to accommodate the timescales for which the assets in aggregate are likely to be held. The hedging strategy of the Group also takes into account are anticipated debt costs and the volatility in the market against which the structure is developed.

The hedging instruments entered into are therefore different and the table below sets out summary details of each hedging instrument.

<i>Debt provider</i>	<i>Borrower</i>	<i>Hedging instrument</i>	<i>Amount (£m)</i>	<i>Rate</i>
Santander UK	Toscafund Glasgow Ltd	Swap	35.35	1.6050%
		Cap	35.35	1.6050%
Royal Bank of Scotland	RR UK (South) Ltd	Swap	8.688	1.3430%
		Swap	4.541	1.2700%
		Cap	8.688	1.3430%
		Cap	4.541	1.2700%

11.13 *Call option agreement*

Toscafund Glasgow Limited has the benefit of a call option pursuant to an agreement dated 28 November 2013 (as amended). Under that agreement, Toscafund Glasgow Limited has the option to acquire properties of the CIHL Group (after repayment of the debt owed to Toscafund Glasgow Limited by the CIHL Group) at a price of £1.00 per property by giving one month's notice in writing.

11.14 *Lock-up agreements*

Please see the summary of the lock-up agreements set out at paragraph 15 of this Part 13.

11.15 *2017 Receiving Agent Agreement*

On 5 December 2017, the Receiving Agent and the Company entered into the 2017 Receiving Agent Agreement, pursuant to which the Receiving Agent provided receiving agent duties and services to the Company.

12. **Intermediaries**

The Intermediaries authorised at the date of this document to use this document in connection with the Intermediaries Offer are:

- AJ Bell Securities
- EFG Harris Allday
- Equiniti Financial Services Limited
- Jarvis Investment Management Limited
- Interactive Investor Services Limited
- Redmayne Bentley LLP

13. **Regulatory status**

The Company is registered with the GFSC as a closed-ended collective investment scheme under the POI Law and the RCIS Rules.

The Company is an AIF and the Investment Manager has been appointed as its AIFM. The Company is subject to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules, MAR, the Rules of the London Stock Exchange and the Companies Law.

As a REIT, the Ordinary Shares are "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares will not be subject to the FCA's restriction on the promotion of non-mainstream pooled investments.

The Company became a REIT on 2015 Admission and the Group will need to comply with certain ongoing regulations and conditions (including minimum distribution requirements) in order to retain its REIT status.

14. Legal implications of contractual documentation

The Company is a registered closed-ended investment scheme registered pursuant to the POI Law, and the RCIS Rules. The GFSC, in granting registration, has not reviewed this document and has relied solely upon specific warranties provided by the Administrator, the Company's designated administrator for the purposes of the RCIS Rules. Neither the GFSC nor the States of Guernsey accepts any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The Articles are governed by, and construed in accordance with, the laws of Guernsey. Upon being issued New Ordinary Shares, an investor becomes a member of the Company and the Articles take effect as a statutory contract between Shareholders and the Company. The Articles may only be amended by way of an extraordinary resolution passed in accordance with the Companies Law.

As a matter of Guernsey law, it is the Directors, and not the Investment Manager, who owe certain fiduciary duties to the Company. These require the Directors, among other things, to act in good faith and in what they consider to be the best interests of the Company. In exercising their discretions (including in determining to cause the Company to enter into any side letters), the Directors will act in accordance with such fiduciary duties. This requires them to ensure that their actions do not result in the unfair treatment of Shareholders.

15. Lock-up

15.1 The Company and Peel Hunt entered into lock-up agreements dated on 3 November 2015 with the Asset Manager, the Investment Manager and certain other persons connected with London & Scottish Investments Limited and the Investment Manager (the "**Locked-in Shareholders**"). The restrictions on Ordinary Shares contained in the lock-up agreements have expired with regards to Ordinary Shares which were held by the Locked-in Shareholders at 2015 Admission but the Locked-In Shareholders remain subject to the provisions of the lock-up agreements with respect to Ordinary Shares acquired after the date of 2015 Admission as follows:

The Investment Manager has agreed that, subject to certain exceptions, it will not without the consent of the Company and Peel Hunt dispose of any class of shares in the capital of the Company awarded to the Investment Manager in satisfaction of performance fees under the Investment Management Agreement:

15.1.1 in respect of any such shares awarded for the period from 2015 Admission to 31 December 2018, 31 December 2019; and

15.1.2 in respect of any share awarded in respect of each calendar year after 31 December 2018: (a) in respect of 50 per cent. of such shares awarded in respect of that calendar year to the date falling 12 months after the end of that calendar year; and (b) in respect of 50 per cent. of such shares awarded in respect of that calendar year to the date falling 24 months after the end of that calendar year.

The Asset Manager has agreed that, subject to certain exceptions, it will not without the consent of the Company and Peel Hunt dispose of any class of shares in the capital of the Company awarded to the Asset Manager in satisfaction of performance fees under the Asset Management Agreement:

15.1.3 in respect of any such shares awarded for the period from 2015 Admission to 31 December 2018, 31 December 2019; and

15.1.4 in respect of any share awarded in respect of each calendar year after 31 December 2018: (a) in respect of 50 per cent. of such shares awarded in respect of that calendar year to the date falling 12 months after the end of that calendar year; and (b) in respect of 50 per cent. of such shares awarded in respect of that calendar year to the date falling 24 months after the end of that calendar year.

The lock-up agreements referred to above also contain customary orderly market provisions. There are currently no shares the subject of these lock-up arrangements.

16. Liquidity risk management

The Company is a closed-end fund investing in illiquid assets. Shareholders do not have the right to redeem their investment prior to the liquidation of the Company, except that the Company may permit or require such redemption in very limited circumstances generally involving situations where retaining a Company interest would violate certain laws or regulations. As Shareholders have no redemption rights, it is not anticipated that the Company will be subject to any material liquidity risk.

17. Working capital

The Company is of the opinion that, taking into account available bank and other facilities, the working capital available to the Group is sufficient for the Group's present requirements and, in particular, is sufficient for at least the 12 month period from the date of this document.

18. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period of 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the Company's or the Group's financial position or profitability.

19. Significant change

Other than as set out in paragraph 6.2 of Part 5 of this document, there has been no significant change in the financial or trading position of the Group since 31 December 2018.

20. Consents

- 20.1 Peel Hunt has given and 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.
- 20.2 The Valuer has given and 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.
- 20.3 The Asset Manager has given and 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.
- 20.4 The Investment Manager has given and 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.

21. General

- 21.1 The Net Capital Raising Proceeds will depend on the number of New Ordinary Shares issued. On the assumption that Gross Capital Raising Proceeds amount to £50 million, the costs and expenses of the Capital Raising payable by the Company will be approximately £1.7 million, resulting in Net Capital Raising Proceeds of approximately £48.3 million.
- 21.2 No commission, fees or expenses will be charged by the Company to Shareholders who acquire New Ordinary Shares through the Capital Raising.
- 21.3 The Investment Manager has not delegated portfolio management or risk management in relation to the Company. The Investment Manager has appointed the Valuer to provide valuations of the Company's potential acquisitions as well as periodic valuations for financial reporting purposes. However, the Investment Manager retains oversight and will remain responsible for these valuations.
- 21.4 The Depositary has not delegated any safekeeping functions in respect of the Company.

- 21.5 The Depositary, its affiliates or third parties to whom safekeeping duties are delegated under the Depositary Agreement may not reuse the assets.
- 21.6 In order to meet the requirements of paragraphs 4 and 5 of Article 23 of the AIFM Directive, the Company intends to disclose annually in the Company's annual report: (i) the percentage of the Company's assets that are subject to any special arrangements arising from their illiquid nature, if applicable; (ii) any new arrangements for managing the liquidity of the Company; and (iii) the current risk profile of the Company and the risk management systems employed by the Investment Manager to manage those risks. Information will also be provided to investors regarding any changes to (i) the maximum level of leverage that the Investment Manager may employ on behalf of the Company; (ii) any right of reuse of collateral or any guarantee granted under a leverage arrangement; and (iii) the total amount of leverage employed by the Company.
- 21.7 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.

22. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of the Company during usual business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until Admission:

- 22.1 the memorandum of incorporation of the Company and the Articles;
- 22.2 the historical financial information on the Group incorporated by reference in Part 10 of this document;
- 22.3 the written consents referred to in paragraph 20 of this Part 13;
- 22.4 the Valuation Report; and
- 22.5 this document.

PART 14

GLOSSARY OF TERMS AND DEFINITIONS

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

“2010 PD Directive”	2010 Prospectus Directive Amending Directive (2010/73/EU);
“2015 Admission”	the admission of Ordinary Shares to the Official List and to trading on the London Stock Exchange’s Main Market for listed securities which occurred on 6 November 2015;
“2016 Annual Report”	has the meaning given in paragraph 1 of Section A of Part 10 of this document;
“2017 Annual Report”	has the meaning given in paragraph 1 of Section A of Part 10 of this document;
“2018 Annual Report”	has the meaning given in paragraph 1 of Section A of Part 10 of this document;
“Administration Agreement”	the agreement entered into between the Company and the Administrator on 23 October 2015 in respect of administration services, as more particularly described in paragraph 11.6 of Part 13 of this document;
“Administrator”	Jupiter Fund Services Limited;
“Admission”	admission of New Ordinary Shares proposed to be issued pursuant to the Capital Raising to the Official List and to trading on the London Stock Exchange’s Main Market for listed securities becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards;
“Admission and Disclosure Standards”	the requirements contained in the publication “Admission and Disclosure Standards” issued by the London Stock Exchange (as amended from time to time) containing, inter alia, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s Main Market for listed securities;
“Affiliate”	has the meaning given to it in Rule 501(b) of Regulation D or Rule 405 of the US Securities Act (as applicable);
“AIC”	the Association of Investment Companies;
“AIC Code”	the AIC Code of Corporate Governance;
“AIF”	an alternative investment fund within the meaning of the AIFM Directive;
“AIFM”	when used in a general context, an alternative investment fund manager within the meaning of the AIFM Directive; or when used in respect of the Company, its alternative investment fund manager, the Investment Manager;
“AIFM Directive”	the Alternative Investment Fund Managers Directive, 2011/61/EU, as amended;
“AIFM Regulations”	the Alternative Investment Fund Managers Regulations 2013, as amended;

“Annual Reports”	the 2016 Annual Report, 2017 Annual Report and the 2018 Annual Report;
“Application Forms” and each an “Application Form”	the Open Offer Application Form and/or the Subscription Form, as the context requires;
“Articles”	the articles of incorporation of the Company;
“Asset Management Agreement”	the agreement entered into between the Company, Midco and LSI dated 3 November 2015 as amended by a deed of amendment dated 3 May 2019 and as assigned by LSI to the Asset Manager, as more particularly described in paragraph 11.2 of Part 13 of this document;
“Asset Manager”	London & Scottish Property Investment Management Limited, a private limited company incorporated in Scotland with registered number SC608667 and whose registered office is at Venlaw 349 Bath Street, Glasgow, Scotland, G2 4AA;
“ATED”	Annual Tax on Enveloped Dwellings;
“Audit Committee”	the Company’s audit committee;
“Board”	the board of Directors of the Company;
“Business Day”	any day (other than a Saturday or Sunday or any public holiday in England and Wales) on which banks generally are open for the transaction of normal banking business in the City of London;
“Buyback Resolution”	the resolution numbered 3 set out in the Notice of Extraordinary General Meeting which, if passed, would empower the Company to make market purchases of Ordinary Shares subject to the provisos set out therein;
“certificated” or “in certificated form”	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST);
“Capital Raising”	the Placing, the Open Offer, the Offer for Subscription and the Intermediaries Offer;
“Capital Raising Resolution”	the resolution numbered 1 set out in the Notice of Extraordinary General Meeting which, if passed, would authorise the Directors to allot New Ordinary Shares pursuant to the Capital Raising as if Article 5.2 of the Articles did not apply to any such allotments;
“Chairman”	the chairman of the Company;
“CIHL Group”	View Castle Limited and its subsidiaries;
“CIHL Receivables”	a portfolio of loan receivables owed by certain members of the CIHL Group;
“Closing Price”	the closing middle market quotation of an Existing Ordinary Share on 21 June 2019, being the Business Day prior to the date of announcement of the Capital Raising;
“Code”	US Internal Revenue Code of 1986, as amended;
“Companies Law”	The Companies (Guernsey) Law 2008, as amended;
“Company”	Regional REIT Limited, a limited company incorporated in Guernsey, Channel Islands with registered number 60527 and

	whose registered office is at Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey GY2 4LH;
“Company Secretary”	Link Asset Services;
“Company Secretary Agreement”	the agreement entered into between the Company Secretary and the Company on 2 November 2015 in respect of company secretarial services, as more particularly described in paragraph 11.7 of Part 13 of this document;
“Core-Plus Properties”	growth and income properties in relation to which the Company has the ability to increase cash flows through asset management initiatives;
“Core Properties”	properties with stable income and low risk;
“CREST”	the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
“CREST Deposit Form”	the form used to deposit securities into the CREST system in the United Kingdom;
“CREST courier” and “sorting service” or “CCSS”	the CREST courier and sorting service operated by Euroclear to facilitate, inter alia, the deposit and withdrawal of securities into and from the CREST system;
“CREST Manual”	the rules governing the operation of CREST as published by Euroclear;
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
“CREST Proxy Instruction”	the appropriate CREST message required in order for a proxy appointment or instruction made using the CREST service to be valid;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“CRS”	the United Kingdom’s International Tax Compliance Regulations 2015 (SI 2015/878), Guernsey’s The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations 2015, the Common Standard on Reporting and Due Diligence for Financial Account Information published by the OECD and the EU Directive on administrative co-operation in the field of taxation (2011/16/EC), together with any forms, instructions or other guidance issued thereunder (now or in the future);
“CTA 2009”	the Corporation Tax Act 2009, as amended;
“CTA 2010”	the Corporation Tax Act 2010, as amended;
“Daily Official List”	the daily official list of the London Stock Exchange;
“Depository”	Heritage Depository Company (UK) Limited;
“Depository Agreement”	the agreement entered into between the Company, the Investment Manager and the Depository on 2 November 2015 in respect of depository services, as more particularly described in paragraph 11.10 of Part 13 of this document;
“Directors”	the directors of the Company whose names are set out in Part 8 of this document (each a “Director”);

“Disapplication Resolution”	the resolution numbered 2 set out in the Notice of Extraordinary General Meeting to disapply pre-emption rights;
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules sourcebook made by the FCA pursuant to Part VI of FSMA, as amended from time to time;
“Enlarged Issued Share Capital”	the Existing Ordinary Shares and the New Ordinary Shares;
“EEA”	the European Economic Area;
“EPRA”	the European Public Real Estate Association;
“EPRA NAV” or “EPRA Net Asset Value”	a measure of net asset value designed by EPRA to present net asset value excluding the value of instruments that are held for long term benefit, net of tax;
“ERISA”	the US Employee Retirement Income Security Act of 1974, as amended;
“ERV”	estimated recovery value;
“ESMA”	European Securities and Market Authority;
“Euroclear”	Euroclear UK & Ireland Limited, a company registered in England and Wales under registered number 02878738;
“Ex-Entitlements Date”	8.00 a.m. on 25 June 2019;
“Excess Application Facility”	the facility for Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements;
“Excess Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder who has taken up his Open Offer Entitlement in full, the entitlement (in addition to the Open Offer Entitlement) to apply for Excess Shares, up to the number of Open Offer Shares, credited to his stock account in CREST pursuant to the Excess Application Facility, which may be subject to scaling-back in accordance with the terms of this document;
“Excess Shares”	Open Offer Shares which may be applied for in addition to Open Offer Entitlements;
“Existing Ordinary Shares”	the existing Ordinary Shares in issue at the date of this document;
“Existing Property Portfolio”	the properties which the Company indirectly owns as at the date of this document;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company proposed to be held at 11.00 a.m. on 18 June 2019 to consider the Resolutions, the notice of which (being the Notice of Extraordinary General Meeting) is set out in Part 15 of this document, including any adjournment thereof;
“FATCA”	<ul style="list-style-type: none"> (i) sections 1471 to 1474 of the Code or any associated regulations, any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in (i) above; or (ii) any agreement pursuant to the implementation of any treaty, law or regulation referred to in (i) or (ii) above with

	the Internal Revenue Service of the US, the US government or any governmental or taxation authority in any other jurisdiction;
“FCA”	the UK Financial Conduct Authority (or any successor regulatory organisation);
“Form of Proxy”	the form of proxy for use at the Extraordinary General Meeting which accompanies this document;
“FRC”	UK Financial Reporting Council;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“Fund I”	Tosca Fund I, comprising Main Fund I and Parallel Fund I;
“Fund II”	Tosca Fund II, comprising Main Fund II and Parallel Fund II;
“Funds”	Fund I and Fund II;
“GDP”	gross domestic product;
“GFSC”	the Guernsey Financial Services Commission;
“Gross Asset Value”	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time;
“Gross Capital Raising Proceeds”	approximately £50 million (or £100 million if the size of the Capital Raising is increased by the maximum amount available);
“Gross Investment Properties Value”	the aggregate value of the investment properties of the Group, as determined in accordance with the accounting principles adopted by the Company from time to time;
“Group”	the Company and its subsidiary undertakings from time to time and “Group Company” shall mean any one of them;
“Group Undertaking”	has the meaning given to it in section 1161(5) of the Companies Act 2006;
“HMRC”	Her Majesty’s Revenue and Customs;
“IAS”	an international accounting standard established by the International Accounting Standards Board;
“IFRS”	International Financial Reporting Standards as adopted by the European Commission for use in the European Union;
“Initial Property Portfolio”	the properties which the Company acquired in connection with 2015 Admission;
“Intermediaries”	the entities listed in paragraph 12 of Part 13 of this document, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this document, and “Intermediary” shall mean any one of them;
“Intermediaries Booklet”	the booklet entitled “Regional REIT Limited: Information for Intermediaries” and containing, among other things, the Intermediaries Terms and Conditions;
“Intermediaries Offer”	the offer of New Ordinary Shares by the Intermediaries to retail investors;
“Intermediaries Offer Adviser”	Peel Hunt;

“Intermediaries Terms and Conditions”	the terms and conditions agreed between the Intermediaries Offer Adviser, the Company, the Asset Manager, the Investment Manager and the Intermediaries in relation to the Intermediaries Offer and contained in the Intermediaries Booklet;
“Investment Management Agreement”	the agreement entered into between the Company, Midco and the Investment Manager on 3 November 2015 in respect of investment management services as amended by a deed of amendment dated 20 February 2019, as more particularly described in paragraph 11.3 of Part 13 of this document;
“Investment Manager”	Toscafund Asset Management LLP, registered in England and Wales with registered number OC320318;
“Investment Policy”	the investment policy of the Company as detailed in paragraph 7 of Part 7 of this document;
“IRS”	US Internal Revenue Service;
“ISIN”	International Securities Identification Number;
“Issue Price”	106.5 pence per New Ordinary Share;
“Latest Practicable Date”	21 June 2019;
“Link Asset Services”	a trading name of Link Market Services Limited;
“Lisbon Treaty”	the Treaty on European Union, as amended by the Treaty of Lisbon in its EU Official Journal version dated 17 December 2007;
“Listing Rules”	the rules and regulations made by the FCA under section 73A of FSMA;
“London Stock Exchange”	London Stock Exchange plc;
“LSI”	London & Scottish Investments Limited;
“LTV”	loan-to-value;
“Main Fund I”	Tosca Commercial Property Fund LP, a limited partnership established in England and Wales with registered number LP015572;
“Main Fund II”	Tosca UK Commercial Property II LP, a limited partnership established in England and Wales with registered number LP016014;
“Management Engagement and Remuneration Committee”	the Company’s management engagement and remuneration committee;
“Managers”	the Asset Manager and the Investment Manager;
“MAR”	the Market Abuse Regulation of the European Parliament and of the Council of 16 April 2014 No 596/2014;
“member account”	the identification code or number attached to any member account in CREST;
“Member State”	a member state of the European Union;
“Midco”	Regional Commercial Midco Limited, a private limited company incorporated in Jersey, Channel Islands with registered number 118888 and whose registered office is at First Floor, Le Masurier House, La Rue Le Masurier, St Helier, Jersey JE2 4YE;

“MiFID”	Markets in Financial Instruments Directive;
“NED Appointment Letters”	the letters of appointment pursuant to which Kevin McGrath, William Eason, Stephen Inglis, Daniel Taylor, Tim Bee and Frances Daley were appointed as Non-Executive Directors;
“Net Asset Value” or “NAV”	the aggregate value of the assets of the Company after deduction of all liabilities, determined in accordance with the accounting policies adopted by the Company from time to time;
“Net Asset Value per Share” or “NAV per Share”	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation;
“Net Capital Raising Proceeds”	the Gross Capital Raising Proceeds less applicable fees and expenses of the Capital Raising;
“New Ordinary Shares”	the new Ordinary Shares proposed to be allotted and issued by the Company pursuant to the Capital Raising;
“Non-executive Directors”	the non-executive Directors of the Company;
“Non-Qualified Holder”	any person whose ownership of Ordinary Shares, or the transfer of Ordinary Shares to such person, may: <ul style="list-style-type: none"> • cause the Company’s assets to be deemed “plan assets” for the purposes of the Code or ERISA; • cause the Company or any of its securities to be required to register under the US Exchange Act, the US Securities Act or any similar legislation; • cause the Company not to be considered a “Foreign Private Issuer” as such term is defined in rule 3b-4(c) under the US Exchange Act; • cause the Investment Manager to be required to register as a municipal advisor under the US Exchange Act; • result in the Company being disqualified from issuing securities pursuant to Rule 506 of Regulation D; • cause a loss of partnership status for US federal income tax purposes; • result in a person holding Ordinary Shares in violation of the transfer restrictions put forth in any prospectus published by the Company from time to time; or • cause the Company to suffer any pecuniary or tax disadvantage or any person who is deemed to be a Non-Qualified Holder by virtue of their refusal to provide the Company with information that it requires in order to comply with its obligations under exchange of information agreements (including, but not limited to, FATCA);
“Notice of Extraordinary General Meeting”	the notice convening the Extraordinary General Meeting set out in Part 15 of this document;
“Offer for Subscription”	the offer for subscription of New Ordinary Shares at the Issue Price on the terms set out in this document;
“Official List”	the Official List of the FCA;

“Open Offer”	the invitation by the Company to Qualifying Shareholder(s) to apply for Open Offer Shares, on the term and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Open Offer Application Form;
“Open Offer Application Form”	the personalised application form through which Qualifying Non-CREST Shareholders may apply for New Ordinary Shares under the Open Offer;
“Open Offer Entitlements”	the entitlement of a Qualifying Shareholder to apply for 1 Open Offer Share for every 8 Existing Ordinary Shares held by him on the Record Time;
“Open Offer Shares”	the 46,602,642 New Ordinary Shares being offered to Qualifying Shareholders pursuant to the Open Offer;
“Ordinary Resolution”	a resolution passed by more than a 50 per cent. majority in accordance with the Companies Law;
“Ordinary Shares”	ordinary shares of no par value in the capital of the Company;
“Overseas Shareholders”	Shareholders who are resident in, ordinarily resident in, located in or citizens of, jurisdictions outside the United Kingdom;
“Panel on Takeovers and Mergers”	the United Kingdom Panel on Takeovers and Mergers;
“Parallel Fund I”	Tosca Commercial II LP, a limited partnership established in Jersey with registered number 1652;
“Parallel Fund II”	TUKCP Jersey LP, a limited partnership established in Jersey with registered number 1795;
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other system participant (as defined in the CREST Regulations);
“Peel Hunt”	Peel Hunt LLP, registered in England and Wales with number OC357088 and whose registered office is at Moore House, 120 London Wall, London EC2Y 5ET, the Company’s broker, bookrunner and intermediaries offer adviser;
“Placee”	any person who agrees to subscribe for Placing Shares;
“Placing”	the conditional placing by Peel Hunt, as agent of and on behalf of the Company, of the Placing Shares on the terms and subject to the conditions contained in the Placing Agreement;
“Placing Agreement”	the Placing Agreement dated 24 June 2019 between the Company, Peel Hunt, the Asset Manager and the Investment Manager, as more particularly described in paragraph 11.1 of Part 13 of this document;
“Placing Shares”	New Ordinary Shares proposed to be allotted and issued by the Company pursuant to the Placing;
“POI Law”	Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended;
“Portfolio Interest”	any real estate asset, debt or other security or other interest acquired by the Group;
“PRIIPs Regulation”	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information

	documents for packaged retail and insurance-based investment products and its implementing and delegated acts;
“Property Business”	has the meaning given to it in paragraph 1 of Part 11 of this document;
“Property Management Agreement”	an agreement described in paragraph 11.5 of Part 13 of this document;
“Property Manager”	the manager of the relevant property in the Property Portfolio appointed pursuant to a Property Management Agreement;
“Property Portfolio”	the portfolio of properties and debt receivables that the Group owns from time to time;
“Prospectus Directive”	EU Prospectus Directive (2003/71/EU), and amendments thereto (including the 2010 PD Directive to the extent implemented in the Relevant Member State) and includes any relevant implementing measure;
“Prospectus Directive Regulation”	Commission Regulation (EC) No 809/2004;
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to Part VI FSMA, as amended from time to time;
“Qualified Investor”	persons in member states of the EEA who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive;
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares in uncertificated form;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares in certificated form;
“Qualifying Shareholder”	holders of Ordinary Shares on the register of members of the Company at the Record Time other than Restricted Shareholders;
“RCIS Rules”	The Registered Collective Investment Schemes Rules 2015;
“Record Time”	6.00 p.m. on 20 June 2019;
“Receiving Agent”	Link Asset Services;
“Receiving Agent Agreement”	the agreement entered into between the Company and the Receiving Agent on 24 June 2019 in respect of receiving agent services, as more particularly described in paragraph 11.9 of Part 13 of this document;
“Registrar”	Link Market Services (Guernsey) Limited;
“Registrar Agreement”	the agreement entered into between the Company and the Registrar on 3 November 2017 in respect of registrar services;
“Regulation D”	Regulation D under the US Securities Act;
“Regulation S”	Regulation S under the US Securities Act;
“Regulations”	the Uncertificated Securities (Guernsey) Regulations 2001 (SI 2001/3755);
“Regulatory Information Service” or “RIS”	any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the Listing Rules;

“REIT”	a company or group to which Part 12 CTA 2010 applies;
“Relevant Member State”	each member state of the EEA which has implemented the Prospectus Directive;
“Reporting Accountant”	RSM Corporate Finance LLP, registered in England and Wales with registered number OC325347;
“Resolutions”	the Capital Raising Resolution, the Disapplication Resolution and the Buyback Resolution;
“Restricted Jurisdiction”	any jurisdiction, including but not limited to Australia, New Zealand, Canada, the Republic of South Africa, Japan, the United States and any EEA state other than the United Kingdom, where the extension or availability of the Capital Raising (and any other transaction contemplated thereby) would (i) result in a requirement to comply with any governmental or other consent or any registration filing or other formality which the Company regards as unduly onerous; or (ii) otherwise breach any applicable law or regulation;
“Restricted Shareholder”	subject to certain exceptions, Shareholders who have registered addresses in, who are incorporated in, registered in or otherwise resident or located in, the United States or any other Restricted Jurisdiction;
“RICS”	Royal Institution of Chartered Surveyors;
“SDRT”	UK stamp duty reserve tax;
“SEDOL”	Stock Exchange Daily Official List;
“Shareholder”	a holder of an Ordinary Share (together “Shareholders”);
“Sterling”	pounds sterling, the lawful currency of the United Kingdom;
“Subscription Form”	the application form in Appendix D to this document for use in connection with the Offer for Subscription;
“Substantial Shareholder”	means 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 CTA 2010 as a “holder of excessive rights”);
“Substantial Shareholding”	means the holding of Ordinary Shares by a Substantial Shareholder;
“Takeover Code”	the UK City Code on Takeovers and Mergers;
“Takeover Panel”	the United Kingdom Panel on Takeovers and Mergers;
“Total Shareholder Return”	(i) growth in EPRA NAV per Share, plus (ii) dividends paid per Ordinary Share, in the relevant period;
“UCITS”	undertakings for collective investment in transferable securities within the meaning of Directive 2009/65/EC;
“UK Corporate Governance Code”	the UK corporate governance code as published by the FRC from time to time;
“UK Property Business”	the qualifying property rental business in the UK and elsewhere of UK resident companies within the Group and the qualifying

	property rental business in the UK of non-UK resident companies within the Group;
“uncertificated” or “in uncertificated form”	recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and, by virtue of the Regulations, title to which may be transferred by means of CREST;
“Underlying Applicants”	investors who wish to acquire New Ordinary Shares under the Intermediaries Offer who are clients of any Intermediary;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Advisers Act”	the United States Investment Advisers Act of 1940, as amended;
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended;
“US holder”	a beneficial owner of Ordinary Shares that is for US federal income tax purposes: <ul style="list-style-type: none"> (i) a citizen or resident alien of the United States; (ii) a corporation or other entity treated as a corporation of US federal income tax purposes created or organised in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) an estate, the income of which is subject to US federal income tax regardless of its source; (iv) a trust if (a) a court within the United States is able to exercise primary supervision over its administration and (b) one or more of the United States persons (as defined in the Code) have the authority to control all of the substantial decisions of such trust;
“US Securities Act”	the United States Securities Act of 1933, as amended;
“USE Instruction”	an Unmatched Stock Event instruction;
“Valuation Report”	the report set out in the appendix to Part 9 of this document;
“Valuer”	Debenham Tie Leung Limited (trading as Cushman & Wakefield);
“VAT”	value added tax; and
“WAULT”	weighted average unexpired lease term.

PART 15

NOTICE OF EXTRAORDINARY GENERAL MEETING

REGIONAL REIT LIMITED

(Incorporated under Guernsey law and registered in Guernsey, Channel Islands with registered number 60527)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Regional REIT Limited (the “**Company**”) will be held at the office of Macfarlanes LLP at 20 Cursitor Street, London E4A 1LT at 10.00 a.m. on 18 July 2019 (the “**Extraordinary General Meeting**”) to consider and, if thought fit, to pass the following resolutions. Unless expressly stated otherwise, terms defined in the prospectus of the Company dated 24 June 2019 shall have the same meaning in this notice of Extraordinary General Meeting.

Extraordinary Resolution 1 – disapplication of pre-emption rights for issue of New Ordinary Shares in connection with the Capital Raising

THAT the Directors be authorised, in addition to any authority granted at the annual general meeting of the Company held on 23 May 2019 to issue, allot and/or sell equity securities (within the meaning of Article 5.1(a) of the Articles) in connection with the Capital Raising for cash, including for cash at a price below the Net Asset Value per Share for the purposes of Listing Rule 15.4.11, as if Article 5.2 of the Articles did not apply to any such allotment, issue and/or sale in connection with the Capital Raising, such authority to be limited to the allotment, issue and/or sale of equity securities up to a maximum number of 93,896,714 shares. Such authority shall expire at the conclusion of the next annual general meeting of the Company or, if sooner, 18 October 2020.

Extraordinary Resolution 2 – disapplication of pre-emption rights for a further issue of New Ordinary Shares

THAT the Directors be authorised, in addition to any authority granted under the resolution numbered 1 set out in this Notice of Extraordinary General Meeting, to allot, issue and/or sell equity securities (within the meaning of Article 5.1(a) of the Articles) for cash as if Article 5.2 of the Articles did not apply to any such allotment, issue and/or sale, provided that this power shall expire (unless previously revoked, varied or renewed by the Company in general meeting) at the end of the next annual general meeting of the Company or, if sooner, 18 October 2020. This power shall be limited to the allotment, issue and/or sale of equity securities:

- of up to an aggregate number of the lower of: (i) 23,335,892 equity securities; and (ii) five per cent. of the Enlarged Issued Share Capital, but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted, issued and/or sold after this power expires and the Directors may allot, issue and/or sell equity securities in pursuance of such offer or agreement as if this power had not expired; and
- further, limited to the allotment, issue and/or sale of equity securities up to an additional maximum number of the lower of: (i) 23,335,892 equity securities; and (ii) an additional five per cent. of the Enlarged Issued Share Capital used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice, provided that this power shall expire (unless previously revoked, varied or renewed by the Company in general meeting) at the end of the next annual general meeting or, if sooner, 18 October 2020, but, prior to its expiry, the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted, issued and/or sold after the authority expires and the directors may allot, issue and/or sell equity securities under any such offer or agreement as if the authority had not expired.

Extraordinary Resolution 3 – authority to make off-market purchases

THAT the Company be generally and unconditionally authorised pursuant to section 315 of the Companies Law to make market acquisitions within the meaning of section 316(1) of the Companies Law of its Ordinary Shares, which may be cancelled or held as treasury shares, on such terms and in such manner as the Directors shall determine, provided that:

- the maximum number of Ordinary Shares hereby authorised to be purchased is the lower of (i) 46,671,785 Ordinary Shares and (ii) 10 per cent. of the Enlarged Issued Share Capital;
- the minimum price which may be paid for an Ordinary Share is £0.01 (exclusive of all expenses);
- the maximum price which may be paid for an Ordinary Share is an amount equal to the higher of (i) five per cent. above the average of the middle market values of an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately before the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out as stipulated by the Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation (EU) No 596/2014 (in each case exclusive of all expenses);
- such authority shall expire at the conclusion of the next annual general meeting of the Company or, if sooner, 18 October 2020, unless the authority is varied, revoked or renewed prior to such date by the Company in general meeting; and
- the Company may make a contract to purchase its own Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own Ordinary Shares in pursuance of any such contract.

Important Notes

Rights to appoint a proxy

- 1 A member entitled to attend, speak and vote at the meeting is entitled to appoint a proxy (or more than one proxy) to attend, speak and vote in his stead. A proxy may demand, or join in demanding, a poll providing they meet the conditions determined in the Articles. A proxy need not be a member of the Company. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. A member may appoint more than one proxy to attend the meeting provided that each proxy is appointed to exercise rights attached to different shares.

Procedure for appointing a proxy

- 2 For the convenience of members who may be unable to attend the meeting, a Form of Proxy is enclosed which should be completed in accordance with the instructions. To be valid, the Form of Proxy (together with the power of attorney or other authority (if any) under which it is signed or notarially certified copy of such authority) must be deposited with the Company's registrars, Link Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF not less than 48 hours (excluding weekends and bank holidays) before the time fixed for the meeting. The fact that members may have completed Forms of Proxy will not prevent them from attending, speaking and voting in person at the meeting should they afterwards decide to do so. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- 3 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Link (ID RA10) not less than 48 hours (excluding weekends and bank holidays) before the time fixed for the extraordinary general meeting. For this purpose, the time of receipt

will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link is able to retrieve the message by enquiry to CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages and normal system timings and limitations will apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34(1) of the Uncertificated Securities (Guernsey) Regulations, 2009.

- 4 When two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting or poll, the one which is last received (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

Corporate representatives

- 5 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares provided that, except in relation to a vote on a show of hands, if two or more corporate representatives of one member purport to exercise a power in respect of the same shares, then (i) they exercise the power in the same manner, it shall be exercised in the same manner; but (ii) if they exercise the power in a different manner, it shall be deemed not to have been exercised.

Changing or revoking proxy instructions

- 6 To change your proxy instructions simply submit a new proxy appointment using the methods set out in notes 2 to 4 above. Any amended proxy appointment must be received no later than the time referred to in notes 2 to 4 above and any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one valid proxy form, the form received last before the latest time for the receipt of proxies will take precedence.
- 7 If you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF; and ask for another proxy form.
- 8 In order to revoke a proxy instruction you will need to inform the Company by sending notice in writing clearly stating your intention to revoke your proxy appointment by one of the methods referred to in notes 2 to 4 above (accompanied by the power of attorney or other authority (if any) under which the revocation notice is signed or a copy of such power or authority). The revocation notice must be received by the commencement of the meeting.
- 9 If you attempt to revoke your proxy appointment but the revocation is received after the time specified above then your proxy appointment will remain valid.

Record Time

- 10 Members who hold Ordinary Shares must have been entered on the Company's Register of Members 48 hours prior to the meeting in order to attend, speak and vote at the meeting. Such members may only vote at the meeting in respect of Ordinary Shares in the Company held at that time. Changes to the entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

Resolution thresholds

- 11 To be passed, an ordinary resolution requires a simple majority of the votes cast by shareholders voting either in person or by proxy at the general meeting (excluding any votes which are withheld) to be voted in favour of the resolution.

- 12 To be passed, an extraordinary resolution requires a majority of at least 75 per cent. of the votes cast by those shareholders voting either in person or by proxy at the general meeting (excluding any votes which are withheld) to be voted in favour of the resolution.

Total voting rights

- 13 As at 21 June 2019 (being the latest practicable date prior to the printing of this notice) the Company's issued share capital comprised 372,821,136 Ordinary Shares. Each Ordinary Share carries the right to one vote on a poll at a general meeting of the Company and, therefore, the total voting rights in the Company as at that date are 372,821,136. As at 21 June 2019, the Company held no Ordinary Shares as treasury shares.

Other rights of members

- 14 Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Communications

- 15 Members who have general enquiries about the meeting should email the Company Secretary, Link Company Matters Limited, rgl-cosec@linkgroup.co.uk.
- 16 You may not use any electronic address provided in this notice of extraordinary general meeting or any related documents (including the proxy form) for communicating with the Company for any purposes other than those expressly stated.
- 17 Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that members subject all messages to virus checking procedures prior to use. Please note that any electronic communication received by the Company that is found to contain any virus will not be accepted.

Effective constitution

- 18 To allow effective constitution of the meeting, if it is apparent to the Chairman that no members of the Company will be present in person or by proxy, other than by proxy in the Chairman's favour, the Chairman may appoint a substitute to act as proxy in his stead for any member, provided that such substitute proxy shall vote on the same basis as the chairman.

APPENDIX A

TERMS OF AND CONDITIONS TO THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, the Open Offer Application Form) each Qualifying Shareholder who is not a Restricted Shareholder is being given an opportunity to apply for New Ordinary Shares at the Issue Price (payable in full on application and free of all expenses) on the following pro rata basis:

1 Open Offer Share for every 8 Existing Ordinary Shares

held and registered in their name at the Record Time and so on in proportion to any other number of Existing Ordinary Shares then held.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares. Applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Excess applications will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their pro rata entitlements. If there is an over-subscription resulting from excess applications, allocations in respect of such excess applications will be scaled-back at the absolute discretion of Peel Hunt, in consultation with the Board, who will have regard to the pro rata number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. Fractional entitlements will be disregarded. No assurances can therefore be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Any New Ordinary Shares not taken up pursuant to the Open Offer will be made available under the Excess Application Facility, the Placing, the Offer for Subscription and/or the Intermediaries Offer. There will be no priority given to applications under the Placing, the Offer for Subscription, the Intermediaries Offer or the Excess Application Facility pursuant to the Capital Raising.

Any fractional entitlements to New Ordinary Shares will be rounded down in calculating entitlements to New Ordinary Shares. Fractional entitlements to New Ordinary Shares will be aggregated and will ultimately be available under the Excess Application Facility. Accordingly, Qualifying Shareholders holding fewer than 8 Existing Ordinary Shares will have no entitlement to subscribe under the Open Offer but may apply under the Excess Application Facility. Holders of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate accounts for the purposes of calculating Qualifying Shareholders' entitlements under the Open Offer, as will holdings under different designations and in different accounts.

The Issue Price represents a discount of approximately 1.8 per cent. to the Closing Price of 108.4 pence.

If you have sold or otherwise transferred all your Existing Ordinary Shares on or after the Ex-Entitlements Date, you are not entitled to participate in the Open Offer. Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, the Open Offer Entitlements and Excess Open Offer Entitlements will not be tradeable or listed and applications in respect of 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. New Ordinary Shares for which application has not been made 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 their entitlements will have no rights nor receive any benefit under the Open Offer. Any New Ordinary Shares which are not applied for under the Open Offer Entitlements and Excess Open Offer Entitlements may be allocated to Places or made available under the Offer for Subscription, the Intermediaries Offer and/or the Excess Application Facility, and the net proceeds will be retained, for the benefit of the Company.

The attention of Shareholders and any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document or an Open Offer Application Form into a jurisdiction other than the UK is drawn to paragraph 6 of Appendix A relating to Overseas Shareholders, which forms part of the terms of

and conditions to the Capital Raising. In particular, Restricted Shareholders will not be sent this document or the Open Offer Application Form. Unless instructed otherwise by the Company or Peel Hunt, if you are resident or located in, or have a registered address in a Restricted Jurisdiction and receive an Open Offer Application Form, please destroy it.

The New Ordinary Shares issued pursuant to the Capital Raising will rank *pari passu* in all respects with the Existing Ordinary Shares and will have the same rights and restrictions as each Existing Ordinary Share, including in respect of any dividends or distributions declared in respect of the New Ordinary Shares following Admission. The New Ordinary Shares are not being made available in whole or in part to the public except under the terms of the Open Offer, the Offer for Subscription and the Intermediaries Offer.

The Capital Raising is not underwritten.

The Capital Raising is conditional upon: (i) the Capital Raising Resolution being passed by Shareholders at the Extraordinary General Meeting (without material amendment); (ii) the Placing Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms before Admission; and (iii) Admission becoming effective by not later than 8.00 a.m. on 23 July 2019 (or such later time and/or date as the Company and Peel Hunt may agree, being not later than 8.00 a.m. on 9 August 2019).

In the event that these conditions are not satisfied or the Placing Agreement is terminated in accordance with its terms, the Capital Raising will not proceed. 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 in respect of the New Ordinary Shares held in uncertificated form. Definitive certificates in respect of New Ordinary Shares taken up are expected to be posted to the Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in certificated form within five Business Days of Admission. Following Admission, the Placing Agreement will not be subject to any condition. A summary of the principal terms of the Placing Agreement is set out in paragraph 11.1 of Part 13 of this document.

The Existing Ordinary Shares are already CREST-enabled. No further application for admission to CREST is required for the New Ordinary Shares and all of the New Ordinary Shares when issued and fully paid may be held and transferred by means of CREST. In respect of those Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in uncertificated form, the New Ordinary Shares are expected to be credited to their CREST stock accounts as soon as possible on 23 July 2019.

Subject to the conditions above being satisfied and save as provided in this Appendix A, it is expected that:

- Link Asset Services will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders with such Qualifying CREST Shareholders' Open Offer Entitlements and Excess Open Offer Entitlements on 25 June 2019;
- New Ordinary Shares in uncertificated form will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders who validly take up their Open Offer Entitlements and, if applicable, any Excess Open Offer Entitlements on 23 July 2019; and
- share certificates for the New Ordinary Shares will be despatched within five Business Days of Admission to relevant Qualifying Non-CREST Shareholders who validly take up their Open Offer Entitlements and Excess Open Offer Entitlements. Such certificates will be despatched at the risk of such Qualifying Non-CREST Shareholders.

All monies received by the Receiving Agent in respect of the Open Offer Shares will be placed on deposit in a non-interest bearing account by the Receiving Agent.

A Qualifying Shareholder who does not take up their Open Offer Entitlement (and does not receive any other New Ordinary Shares pursuant to the Capital Raising) will have their shareholding in the Company diluted by 11.2 per cent. as a result of the Capital Raising (assuming Gross Capital Raising Proceeds of £50 million).

All Qualifying Shareholders taking up their Open Offer Entitlements and, if applicable, any Excess Open Offer Entitlements, will be deemed to have given the representations and warranties set out in

paragraphs 2.8 and 9.1 below (in the case of Qualifying Non-CREST Shareholders) and paragraphs 3.12 and 9.2 below (in the case of Qualifying CREST Shareholders) unless, in each case, such requirement is waived in writing by the Company.

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees or renouces (or their agents, as appropriate) will be posted at their own risk.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Appendix A which forms part of the terms of and conditions to the Open Offer.

References to dates and times in this document should be read as subject to adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates or times.

1. Action to be taken in connection with the Open Offer

The action to be taken in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has received an Open Offer Application Form in respect of his Open Offer Entitlements, including the Excess Application Facility, or has had his Open Offer Entitlements and Excess Open Offer Entitlements credited to his CREST stock account.

If you are a Qualifying Non-CREST Shareholder, please refer to paragraph 2 and paragraphs 4 to 10 (inclusive) of this Appendix A.

If you are a Qualifying CREST Shareholder, please refer to paragraph 3 and paragraphs 4 to 10 (inclusive) of this Appendix A and to the CREST Manual for further information on the CREST procedures referred to above.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors as only their CREST sponsors will be able to take the necessary actions specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess 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 in CREST should refer to the CREST Manual for further information on the CREST procedures referred to above.

Qualifying Shareholders who do not want to take up or apply for the New Ordinary Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form (in the case of Qualifying Non-CREST Shareholders) or follow the procedures set out in paragraph 3 below (in the case of Qualifying CREST Shareholders) to apply for New Ordinary Shares through CREST, as the case may be. Shareholders are, however, encouraged to vote at the Extraordinary General Meeting by attending in person or by completing and returning the enclosed Form of Proxy (either in hard copy or electronically) or by completing and transmitting a CREST Proxy Instruction.

2. Actions to be taken in relation to Open Offer Entitlements represented by Application Forms

2.1 General

Save as provided in paragraph 6 of this Appendix A below, Qualifying Non-CREST Shareholders will have received an Open Offer Application Form with this document.

Their Application Forms set out:

- 2.1.1 in Box 6 on the Open Offer Application Form, the number of Existing Ordinary Shares registered in such person's name at the Record Time (on which a Qualifying Non-CREST Shareholder's Open Offer Entitlement to New Ordinary Shares is based);
- 2.1.2 in Box 7, the Open Offer Entitlement to New Ordinary Shares for which such persons are basically entitled to apply under the Open Offer, taking into account that any fractional entitlements to New Ordinary Shares will be rounded down to the nearest whole number in calculating entitlements, such fractional entitlements being aggregated and ultimately accruing under the Excess Application Facility;

- 2.1.3 in Box 8, how much they would need to pay in pounds sterling if they wish only to take up their Open Offer Entitlement in full;
- 2.1.4 the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of his entitlement or to convert all or part of his entitlement into uncertificated form; and
- 2.1.5 instructions regarding acceptance and payment, consolidation and splitting.

Multiple applications will not be accepted. In the event of receipt of multiple applications, the Company may in its sole discretion (with the consent of Peel Hunt) determine which application is valid and binding on the person by whom or on whose behalf it is lodged. 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.

Qualifying Non-CREST Shareholders may apply for less than their maximum Open Offer Entitlement should they wish to do so.

Subject to applying to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may also apply for any Excess Shares (i.e. New Ordinary Shares in excess of their Open Offer Entitlement which have not been applied for by other Qualifying Shareholders) pursuant to the Excess Application Facility.

Qualifying Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a bona fide market claim.

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

The latest time and date for acceptance of the Application Forms and payment in full will be 10.00 a.m. on 18 July 2019. The New Ordinary Shares are expected to be issued on 23 July 2019. After such date the New Ordinary Shares will be in registered form, freely transferable by written instrument of transfer in the usual, common form, or if they have been issued in, or converted into, uncertificated form, in electronic form under the CREST system.

2.2 ***Bona fide market claims***

Applications to acquire New Ordinary 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 Ordinary Shares through the market prior to 8.00 a.m. on 24 June 2019 (the date upon which the Ordinary Shares were marked 'ex' the entitlement to participate in the Open Offer). Application Forms may not be assigned, transferred or split, except to satisfy bona fide market claims prior to 3.00 p.m. on 16 July 2019.

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 Ordinary Shares prior to the Ex-Entitlements Date, should consult his broker or other professional adviser as soon as possible as the invitation to acquire New Ordinary Shares under the Open Offer may be a benefit which may be claimed by the transferee.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred all of their registered holdings prior to 6.00 p.m. on 20 June 2019 should, if the market claim is to be settled outside CREST, complete Box 10 on the Open Offer Application Form and immediately send it, together with this document, to the broker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee, or directly to the purchaser or transferee, if known. The Open Offer Application Form and this document should not, however, be forwarded to, or transmitted in or into, any Restricted Jurisdiction, including the United States. 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 procedures set out in paragraph 3 below.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred part only of their Existing Ordinary Shares shown in Box 6 of their Open Offer Application Form prior to 24 June 2019 should, if the market claim is to be settled outside CREST, complete Box 15 of the Open Offer Application Form and immediately deliver the Open Offer Application Form, together with a letter stating the number of Application Forms required (being one for the Qualifying Non-CREST Shareholder in question and one for each of the purchasers or transferees), the total number of Existing Ordinary Shares to be included in each Open Offer Application Form (the aggregate of which must equal the number shown in Box 2 of the Open Offer Application Form) and the total number of Open Offer Entitlements to be included in each Open Offer Application Form (the aggregate of which must equal the number shown in Box 7), to the broker, bank or other agent through whom the sale or transfer was effected or return it by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by no later than 10.00 a.m. on 18 July 2019. The Receiving Agent will then create new Application Forms, mark the Application Forms “Declaration of sale or transfer duly made” and send them, together with a copy of this document, by post to the person submitting the original Open Offer Application Form. The Open Offer Application Form and this document should not, however, be forwarded to or transmitted in or into any Restricted Jurisdiction, including the United States.

2.3 ***Application procedures***

Qualifying Non-CREST Shareholders who wish to apply to subscribe for all or any of the New Ordinary Shares in respect of their Open Offer Entitlement or any Excess Shares pursuant to the Excess Application Facility must return the Open Offer Application Form in accordance with the instructions printed thereon. Completed Open Offer Application Forms should be posted in the accompanying pre-paid envelope (in the UK only) or returned by post or by hand (during normal office hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by no later than 10.00 a.m. on 18 July 2019, after which time, subject to the limited exceptions set out below, Open Offer Application Forms will not be valid. Applications delivered by hand will not be checked upon delivery and no receipt will be provided. Qualifying Non-CREST Shareholders should note that applications, once made, will, subject to the very limited withdrawal rights set out in this document, be irrevocable. If an Open Offer Application Form is being sent by first-class post in the United Kingdom, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

Completed Open Application Forms should be returned together with payment in accordance with paragraph 2.4 below. 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.

2.4 ***Payment***

All payments must be made by cheque or banker’s draft in pounds sterling payable to “**Link Market Services Limited re: Regional REIT Limited Open Offer A/C**” and crossed “**A/C payee only**”. Cheques must be for the full amount payable on acceptance, and sent by post to Link Asset Services, so as to be received as soon as possible and, in any event, not later than 10.00 a.m. on 18 July 2019. A pre-paid envelope for use within the United Kingdom only will be sent with the Open Offer Application Form.

Cheques must be drawn on the personal account of the individual investor where they have sole or joint title to the funds. 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 inserted details of the name of the account holder and the building society cheque or banker’s draft has been stamped with the building society or bank branch stamp on the back of the cheque or banker’s draft. The name of the building society or bank account holder must be the same as the name of the relevant Qualifying Non-CREST Shareholder. Cheques or banker’s drafts must be drawn in pounds sterling and on an account at a bank or building society or a branch of a bank or building society which must be in the United Kingdom, the Channel Islands or the Isle of Man and 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 or banker’s drafts to be cleared through the facilities provided by either of those companies. Cheques and banker’s drafts must bear the appropriate sorting code number in the top right-hand corner. Post-dated

cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted. Please do not send cash.

The Company reserves the right to have cheques and banker's drafts presented for payment on receipt. No interest will be paid. It is a term of the Open Offer that cheques must be honoured on first presentation and the Company may, in consultation with Peel Hunt, elect to treat as invalid any acceptances in respect of which cheques are not honoured. Return of the Open Offer Application Form with a cheque will constitute a warranty that the cheque will be honoured on first presentation.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a non-interest-bearing account retained for the Company until all conditions are met. If the Open Offer does not become unconditional, no New Ordinary 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.

If New Ordinary Shares are allotted to a Qualifying Non-CREST Shareholder and a cheque for that allotment is subsequently not honoured or such Qualifying Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised to (in its absolute discretion as to manner, timing and terms, but after consultation with Peel Hunt and the Company) make arrangements for the sale of such shares on behalf of the Company and for the proceeds of sale (which, for these purposes, shall be deemed to be payments in respect of successful applications) to be paid and retained by the Company. None of the Company, Link Asset Services, Peel Hunt, nor any other person, shall be responsible for, or have any liability for, any loss, expenses or damage suffered by any Qualifying Shareholder as a result.

If you have any questions relating to the completion and return of your Open Offer Application Forms, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2.5 ***Excess Application Facility***

Provided Qualifying Non-CREST Shareholders choose to take up their Open Offer Entitlements in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares.

The total number of Open Offer Shares is fixed and will not be increased in response to excess applications under the Excess Application Facility. Applications for Excess Shares will therefore be satisfied only to the extent that other Qualifying Shareholders do not take up all of their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the maximum number of Open Offer Shares available, then such applications will be scaled-back in the absolute discretion of Peel Hunt, in consultation with the Board, who will have regard to the pro rata number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. No assurances can therefore be given that applications by Qualifying Non-CREST Shareholders under the Excess Application Facility will be met in full, in part or at all.

Qualifying Non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Open Offer Application Form in accordance with instructions set out on the Open Offer Application Form.

Qualifying Non-CREST Shareholders who make applications for Excess Shares under the Excess Application Facility which are not met in full and from whom payment in full has been made will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for, but not allocated to, the relevant Qualifying Non-CREST Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number. Fractional entitlements to New Ordinary Shares will be aggregated and will ultimately accrue for the benefit of the Company.

Shareholders who hold fewer than 8 Existing Ordinary Shares at the Record Time will not be able to apply under the Excess Application Facility.

2.6 ***Placee participation***

To the extent that a Placee is a holder of Existing Ordinary Shares, such Placee may additionally apply for, or take up, its Open Offer Entitlement and apply under the Excess Application Facility.

2.7 ***Discretion as to validity of acceptances***

If payment is not received in full by 10.00 a.m. on 18 July 2019, the offer to subscribe for New Ordinary Shares under the Open Offer will be deemed to have been declined and will lapse. However, after consultation with Peel Hunt, the Company may, but shall not be obliged to, treat as valid (a) Open Offer Application Forms and accompanying remittances that are received through the post not later than 10.00 a.m. on 18 July 2019 (the cover bearing a legible postmark not later than 10.00 a.m. on 18 July 2019); and (b) acceptances in respect of which a remittance is received prior to 10.00 a.m. on 18 July 2019 from an authorised person (as defined in section 31(2) of FSMA) specifying the number of New Ordinary Shares to be acquired and undertaking to lodge the relevant Open Offer Application Form, duly completed, by 10.00 a.m. on 18 July 2019 and such Open Offer Application Form is lodged by that time.

The Company may also (in its absolute discretion, but after consultation with Peel Hunt) treat an Open Offer Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company reserves the right to treat, in its absolute discretion as invalid any application or purported application for the New Ordinary Shares pursuant to the Open Offer that appears to the Company to have been executed in, despatched from, or that provides an address for delivery of definitive share certificates for New Ordinary Shares in, a Restricted Jurisdiction, including the United States.

The Company may, but shall not be obliged to, treat an Open Offer Application Form as valid if the number of New Ordinary Shares for which the application is made is inconsistent with the remittance that accompanies the Open Offer Application Form. In such case, the Company will be entitled to, in its absolute discretion, deem application to have been made for: (i) where an insufficient sum is paid, the greatest whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price; and (ii) where an excess sum is paid, the greatest number of New Ordinary Shares inserted in Boxes 2 and 4 of the Open Offer Application Form.

2.8 ***Effect of application***

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

- 2.8.1 represents and warrants to each of the Company and Peel Hunt that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer 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 Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;
- 2.8.2 agrees with each of the Company and Peel Hunt that all applications under the Open Offer and any contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England and Wales;

- 2.8.3 agrees with each of the Company and Peel Hunt that the Open Offer Shares and/or Excess Shares are issued subject to, and in accordance with, the Articles;
- 2.8.4 agrees with each of the Company and Peel Hunt that applications, once made, will be valid and binding and, subject to the very limited withdrawal rights set out in this document, be irrevocable;
- 2.8.5 confirms to each of the Company and Peel Hunt that, in making the application, he is not relying on any information or representation other than that contained in (or incorporated by reference in) this document and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not so contained and further agrees that, having had the opportunity to read this document (including any documentation incorporated into it by reference), he will be deemed to have had notice of all information contained in this document (including information incorporated into it by reference);
- 2.8.6 confirms to each of the Company and Peel Hunt that, in making the application, he is not relying on, and has not relied on Peel Hunt or any other person affiliated with Peel Hunt in connection with any investigation of the accuracy of any information contained in (or incorporated by reference in) this document or his investment decision;
- 2.8.7 confirms to each of the Company and Peel Hunt that no person has been authorised to give any information or to make any representation concerning the Group and/or the New Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Peel Hunt;
- 2.8.8 represents and warrants to the Company and Peel Hunt that, if he has received some or all of his Open Offer Entitlements 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;
- 2.8.9 represents and warrants to each of the Company and Peel Hunt that the New Ordinary Shares are acquired in an “offshore transaction” as defined in, and pursuant to regulations under, the US Securities Act or otherwise in a transaction exempt from, or not subject to, the registration requirements under the US Securities Act;
- 2.8.10 represents and warrants to each of the Company and Peel Hunt that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a bona fide market claim;
- 2.8.11 represents and warrants to the Company and Peel Hunt that he is located outside the United States, he is acquiring the shares in an “offshore transaction” (within the meaning of Regulation S), he is not acquiring the New Ordinary Shares for the benefit of a person in the United States and he will not offer, sell or deliver, directly or indirectly, any New Ordinary Shares in or into the United States, and if in the future he decides to offer, sell, transfer, assign, pledge or otherwise dispose of New Ordinary Shares or any beneficial interest therein, he will do so only (i) in an “offshore transaction” (within the meaning of Regulation S) to a person outside the United States not known by the transferor to be a US Person, (ii) to the Company, (iii) in a transaction pursuant to Rule 144A under the US Securities Act or (iv) pursuant to an effective registration statement under the US Securities Act;
- 2.8.12 represents and warrants to each of the Company and Peel Hunt that he is purchasing the New Ordinary Shares for his own account or for one or more investment accounts for which he 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 Ordinary Shares in any manner that would violate the US Securities Act or any other applicable securities laws;

- 2.8.13 acknowledges and understands that the Company is required to comply with FATCA and CRS 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 and CRS;
- 2.8.14 represents and warrants to each of the Company and Peel Hunt 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
- 2.8.15 requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document and the Open Offer Application Form and subject to the Articles.

2.9 **Money Laundering Regulations**

To ensure compliance with the Money Laundering Regulations, Link Asset Services may require, at its absolute discretion, verification of the identity of the beneficial owner 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 an application is made by a UK-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 Link Asset Services. 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 (the “**applicant**”), including any person who appears to Link Asset Services to be acting on behalf of some other person, shall thereby be deemed to agree to provide Link Asset Services with such information and other evidence as Link Asset Services may require to satisfy the verification of identity requirements. Submission of an Open Offer Application Form shall constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of remittance and an undertaking by the applicant to provide promptly to Link Asset Services such information as may be specified by Link Asset Services as being required for the purpose of the Money Laundering Regulations.

If Link Asset Services determines that the verification of identity requirements apply to any applicant or application, the relevant New Ordinary Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. Link Asset Services is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and neither Link Asset Services 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 and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, Link Asset Services has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, after consultation with Peel Hunt, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

The verification of identity requirements will not usually apply if:

- 2.9.1 the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- 2.9.2 the applicant is an organisation required to comply with the EU Money Laundering Directive (No.91/308/EEC) as amended by Directives 2001/97/EC and 2005/60/EC;

- 2.9.3 the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations;
- 2.9.4 the applicant (not being an applicant who delivers his/her application in person) makes payment through an account in the name of such applicant with a credit institution which is subject to the Money Laundering Regulations or with a credit institution situated in a non-EEA State which imposes requirements equivalent to those laid down in that directive; or
- 2.9.5 the aggregate subscription price for the relevant New Ordinary Shares is less than €15,000 (or its pounds sterling equivalent).

Submission of the Open Offer Application Form with the appropriate remittance will constitute a representation and warranty to each of the Company and Peel Hunt from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

Where the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements (but does not limit the right of Link Asset Services to require verification of an identity stated above). Satisfaction of these requirements may be facilitated in the following ways:

- 2.9.6 if payment is made by cheque or banker's draft drawn on a branch of a bank or building society in the United Kingdom and bears a UK bank sort code number in the top right hand corner, the following applies. Cheques, which are recommended to be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "**Link Market Services Limited re: Regional REIT Limited Open Offer A/C**" and crossed "**A/C payee only**". Third party cheques may not be accepted except for building society cheques or banker's drafts where the building society or bank has inserted details on the back of the cheque or banker's draft of the name of the account holder and the building society cheque or banker's draft has been stamped with the building society or bank branch stamp. The account name should be the same as that shown on the application;
- 2.9.7 if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in sub-paragraph 2.9.2 above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the current non-EU members of which are Argentina, Australia, Brazil, Canada, members of the Gulf Co-operation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, India, Japan, Malaysia, Mexico, New Zealand, Norway, the People's Republic of China, the Republic of Korea, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the US), the agent should provide written confirmation that it has that status with the Open Offer Application Form(s) and written assurances 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 Link Asset Services and/or any relevant regulatory or investigatory authority; or
- 2.9.8 if an Open Offer Application Form is lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address.

To confirm the acceptability of any written assurance referred to in paragraph 2.9.7 above, or in any other case, the applicant should contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2.10 **Issue of New Ordinary Shares in certificated form**

Definitive share certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be despatched by post within five Business Days of Admission, at the risk of the person(s) entitled to them, to accepting Qualifying Non-CREST Shareholders or their agents or, in the case of joint holdings, to the first-named Qualifying Non-CREST Shareholder, in each case, at their registered address (unless lodging agent details have been completed on the Open Offer Application Form).

3. **Action to be taken in relation to Open Offer Entitlements credited in CREST**

3.1 **General**

Save as provided in paragraph 6 of this Appendix A in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to his CREST stock account of his Open Offer Entitlement equal to the basic number of New Ordinary Shares for which he is entitled to apply to acquire under the Open Offer and also his Excess Open Offer Entitlement (see paragraph 3.3 below). Any fractional entitlements to New Ordinary Shares will be rounded down in calculating entitlements to New Ordinary Shares. Fractional entitlements to New Ordinary Shares will be aggregated and will ultimately accrue for the benefit of the Company.

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

If for any reason it is not possible to admit the Open Offer Entitlements and/or Excess Open Offer Entitlements to CREST, or it is impracticable to credit the stock accounts of Qualifying CREST Shareholders by 3.00 p.m. on 25 June 2019 (or such later time and/or date as the Company (after consultation with Peel Hunt) shall decide), Open Offer Application Forms shall be sent out in substitution for the Open Offer Entitlements and Excess Offer Entitlements which should have been so credited and the expected timetable as set out in this document may be adjusted, as appropriate. References to dates and times in this document should be read as subject to any such adjustment. The Company will make an appropriate announcement through a Regulatory Information Service giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

Qualifying CREST Shareholders who wish to take up all or part of their Open Offer Entitlements and any Excess Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement, as only your CREST sponsor will be able to take the necessary action to take up your Open Offer Entitlements and any Excess Shares. If you have any questions relating to the completion and return of your Forms of Proxy, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

In accordance with the instructions in this Appendix A, the CREST instruction must have been settled by 10.00 a.m. on 18 July 2019.

3.2 **Bona fide market claims**

The Open Offer Entitlements and Excess Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess 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 Open Offer

Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess Open Offer Entitlement(s) will thereafter be transferred accordingly.

3.3 **Excess Application Facility**

Provided Qualifying CREST Shareholders choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for New Ordinary Shares in excess of their Open Offer Entitlement.

The total number of Open Offer Shares is fixed and will not be increased in response to excess applications under the Excess Application Facility. Applications for Excess Shares will therefore be satisfied only to the extent that other Qualifying Shareholders do not take up all of their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the maximum number of Open Offer Shares available, then such applications will be scaled-back in the absolute discretion of Peel Hunt, in consultation with the Board, who will have regard to the pro rata number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. No assurances can therefore be given that applications by Qualifying CREST Shareholders under the Excess Application Facility will be met in full, in part or at all.

All enquiries in connection with the procedure for application for Excess Open Offer Entitlements should be made to contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

An Excess Open Offer Entitlement in CREST may not be sold or otherwise transferred. Save as provided in paragraph 6 of this Appendix A in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess Open Offer Entitlement does not in any way give Qualifying CREST Shareholders a right to the New Ordinary Shares attributable to the Excess Open Offer Entitlement as an Excess Open Offer Entitlement is subject to scaling-back in accordance with the terms of this document.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

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

A Qualifying CREST Shareholder who has made a valid application for Excess Shares under the Excess Application Facility which is not met in full, and from whom payment in full for Excess Shares has been received, will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for, but not allocated to, the relevant Qualifying CREST Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant’s sole risk.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

3.4 **USE Instructions for all or some of the Open Offer Entitlements**

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

- 3.4.1 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 corresponding to the number of New Ordinary Shares applied for; and
- 3.4.2 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 Ordinary Shares referred to in 3.4.1 above.

3.5 **Content of USE Instructions 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:

- 3.5.1 the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- 3.5.2 the ISIN of the Open Offer Entitlement. This is GG00BK8LQN98;
- 3.5.3 the CREST participant ID of the CREST member;
- 3.5.4 the CREST member account ID of the CREST member from which the Open Offer Entitlements are to be debited;
- 3.5.5 the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- 3.5.6 the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 20214REG;
- 3.5.7 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 Open Offer Shares referred to in (i) above;
- 3.5.8 the intended settlement date. This must be on or before 10.00 a.m. on 18 July 2019;
- 3.5.9 the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST;
- 3.5.10 a contact name and telephone number (in the free format shared note field); and
- 3.5.11 a priority of at least 80.

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 10.00 a.m. on 18 July 2019. 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 18 July 2019 in order to be valid is 10.00 a.m. on that day.

If the conditions to the Open Offer are not fulfilled on or before 8.00 a.m. on 23 July 2019, or such other time and/or date as may be agreed between the Company and Peel Hunt, or if the Placing Agreement is terminated in accordance with its terms prior to Admission, 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.

3.6 **USE Instructions for the Excess Open Offer Entitlements**

Qualifying CREST Shareholders who are CREST members and who wish to apply for New Ordinary Shares in respect of the Excess 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:

- 3.6.1 the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Excess Open Offer Entitlements corresponding to the number of Excess Shares applied for; and
- 3.6.2 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 Excess Shares referred to in 3.6.1 above.

3.7 **Content of USE Instructions in respect of Excess 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:

- 3.7.1 the number of Excess Shares for which application is being made (and hence the number of the Excess Open Offer Entitlement(s) being delivered to the Receiving Agent);
- 3.7.2 the ISIN of the Excess Open Offer Entitlement. This is GG00BK8LV233;
- 3.7.3 the CREST participant ID of the CREST member;
- 3.7.4 the CREST member account ID of the CREST member from which the Excess Open Offer Entitlements are to be debited;
- 3.7.5 the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- 3.7.6 the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 20214REG;
- 3.7.7 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 (i) above;
- 3.7.8 the intended settlement date. This must be on or before 10.00 a.m. on 18 July 2019;
- 3.7.9 the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST;
- 3.7.10 a contact name and telephone number (in the free format shared note field); and
- 3.7.11 a priority of at least 80.

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 10.00 a.m. on 18 July 2019. 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 18 July 2019 in order to be valid is 10.00 a.m. that day.

If the conditions to the Open Offer are not fulfilled on or before 8.00 a.m. on 23 July 2019 or such other time and/or date as may be agreed between the Company and Peel Hunt, or if the Placing Agreement terminates in accordance with its terms prior to Admission, the Open Offer will lapse, the Excess 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.

3.8 ***CREST procedures and timings***

Qualifying CREST Shareholders who are CREST members and CREST sponsors (on behalf of CREST sponsored members) 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 Qualifying CREST Shareholder concerned to take (or, if the Qualifying CREST Shareholder is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 10.00 a.m. on 18 July 2019. Qualifying CREST Shareholders and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.9 ***Validity of application***

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by not later than 10.00 a.m. on 18 July 2019 will constitute a valid application under the Open Offer.

3.10 ***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:

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

3.11 ***Placee participation***

To the extent that a Placee is a holder of Existing Ordinary Shares, such Placee may additionally apply for, or take up, its Open Offer Entitlement and apply under the Excess Application Facility.

3.12 ***Effect of application***

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

- 3.12.1 represents and warrants to each of the Company and Peel Hunt that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer 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 Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;
- 3.12.2 agrees with each of the Company and Peel Hunt 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 the amount payable on application);
- 3.12.3 agrees with each of the Company and Peel Hunt that all applications under the Open Offer and any contracts resulting therefrom, and any non-contractual obligations

relating thereto, shall be governed by, and construed in accordance with, the laws of England and Wales;

- 3.12.4 agrees with each of the Company and Peel Hunt that the Open Offer Shares and/or Excess Shares are issued subject to, and in accordance with, the Articles;
- 3.12.5 agrees with each of the Company and Peel Hunt that applications, once made, will, be valid and binding, and subject to the very limited withdrawal rights set out in this document, be irrevocable;
- 3.12.6 confirms to each of the Company and Peel Hunt that, in making the application, he is not relying on any information or representation other than that contained in (or incorporated by reference in) this document and the applicant accordingly agrees that no person responsible solely or jointly for this document 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 this document, including any documentation incorporated by reference, he will be deemed to have had notice of all the information contained in this document (including information incorporated by reference);
- 3.12.7 confirms to each of the Company and Peel Hunt that, in making the application, he is not relying, and has not relied, on Peel Hunt or any other person affiliated with Peel Hunt in connection with any investigation of the accuracy of any information contained in (or incorporated by reference in) this document or his investment decision;
- 3.12.8 confirms to each of the Company and Peel Hunt that no person has been authorised to give any information or to make any representation concerning the Group and/or the New Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Peel Hunt;
- 3.12.9 represents and warrants to the Company and Peel Hunt that if he has received some or all of his Open Offer Entitlements and Excess Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim;
- 3.12.10 represents and warrants to each of the Company and Peel Hunt that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlements and Excess Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim;
- 3.12.11 represents and warrants to each of the Company and Peel Hunt that he is not, and is not acting on behalf of any person who is: (a) located, a citizen or resident, or a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law; and (b) applying with a view to re-offering, reselling, transferring or delivering any of the New Ordinary Shares which are the subject of his application to, or for the benefit of, a person who is located, a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law, 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 Ordinary Shares under the Open Offer;
- 3.12.12 represents and warrants to each of the Company and Peel Hunt that: (a) he is not in the United States nor is he applying for the account of any person who is located in the United States; and (b) he is not applying for the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any New Ordinary Shares into the United States in violation of federal or state securities laws;

- 3.12.13 represents and warrants to each of the Company and Peel Hunt that he has not become aware of the Open Offer by any means of “directed selling efforts”, as that term is used under Regulation S;
- 3.12.14 represents and warrants to each of the Company and Peel Hunt 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
- 3.12.15 requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Articles.

3.13 **Discretion as to rejection and validity of acceptances**

The Company may (with the consent of Peel Hunt):

- 3.13.1 reject any acceptance constituted by a USE Instruction, which is otherwise valid, in the event of a breach of any of the representations, warranties and undertakings set out or referred to in paragraph 3.12 of this Appendix A. Where an acceptance is made as described in this paragraph 3 which is otherwise valid, and the USE Instruction concerned fails to settle by 10:00 a.m. on 18 July 2019 (or by such later time and date as the Company and Peel Hunt may determine), the Company shall be entitled to assume, for the purposes of its right to reject an acceptance as described in this paragraph 3.13.1, that there has been a breach of the representations, warranties and undertakings set out or referred to in paragraph 3.12 above unless the Company is aware of any reason outside the control of the Qualifying CREST Shareholder or CREST sponsor (as appropriate) concerned for the failure of the USE Instruction to settle;
- 3.13.2 treat as valid (and binding on the Qualifying CREST Shareholder concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 3;
- 3.13.3 accept an alternative properly authenticated dematerialised instruction from a Qualifying CREST Shareholder or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, a USE Instruction and subject to such further terms and conditions as the Company may determine;
- 3.13.4 treat a properly authenticated dematerialised instruction (in this sub-paragraph, the “**first instruction**”) as not constituting a valid acceptance if, at the time at which Link Asset Services receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or Link Asset Services has received actual notice from Euroclear of any of the matters specified in CREST Regulation 35(5)(a) 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
- 3.13.5 accept an alternative instruction or notification from a Qualifying CREST Shareholder or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of a USE Instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any Qualifying CREST Shareholder or (where applicable) CREST sponsor, a Qualifying CREST Shareholder is unable validly to take up all or part of his Open Offer Entitlement 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 of any part of CREST) or on the part of facilities and/or systems operated by Link Asset Services in connection with CREST.

3.14 **Money Laundering Regulations**

If you hold your Ordinary Shares in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g.

a bank, a broker or another UK financial institution), then, irrespective of the value of the application, Link Asset Services is required to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. Such Qualifying CREST Shareholders must therefore contact Link Asset Services before sending any USE Instruction or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to the Company and Peel Hunt to provide promptly to Link Asset Services any information Link Asset Services may specify as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Link Asset Services as to identity,

Link Asset Services, having consulted with the Company, may take, or omit to take, such action as it may determine to prevent or delay settlement of the USE Instruction. If satisfactory evidence of identity has not been provided within a reasonable time, Link Asset Services will not permit the USE Instruction concerned to proceed to settlement (without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure by the applicant to provide satisfactory evidence).

3.15 ***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 including the entitlement to apply under the Excess Application Facility, 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 Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlements under the Excess Application Facility are reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal (and, in the case of a deposit into CREST, as set out in the Open Offer Application Form).

A Qualifying Non-CREST Shareholder who wishes to make such a deposit should sign Box 9 and complete Box 16 of their Open Offer Application Form, entitled "**CREST Deposit Form**" and then deposit their Open Offer Application Form with the CREST Courier and Sorting Service ("**CCSS**"). In addition, the normal CREST stock deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST transfer form (as prescribed under the Stock Transfer Act 1963) with the CCSS; and (b) only the Open Offer Entitlement shown in Box 7 of the Open Offer Application Form may be deposited into CREST. After depositing their Open Offer Entitlements into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess Open Offer Entitlements, which will be managed by Link Asset Services.

If you have received your Open Offer Application Form by virtue of a bona fide market claim, the declaration in Box 10 must have been made or (in the case of an Open Offer Application Form which has been split) marked "**Declaration of sale or transfer duly made**". If you wish to take up your Open Offer Entitlement, the CREST Deposit Form in Box 16 of your Open Offer Application Form must be completed and deposited with the CCSS in accordance with the instructions above. A holder of more than one Open Offer Application Form who wishes to deposit Open Offer Entitlements shown on those Open Offer Application Forms into CREST must complete Box 16 of each Open Offer Application Form.

In particular, having regard to normal processing times in CREST and on the part of Link Asset Services the recommended latest time for depositing an Open Offer Application Form with the CCSS, where the person entitled wishes to hold the Open Offer Entitlement set out in such Open Offer Application Form as an Open Offer Entitlement in CREST and the entitlement to apply under the Excess Application Facility in CREST, is 3.00 p.m. on 15 July 2019. CREST holders inputting the withdrawal of their Open Offer Entitlement and any Excess Open Offer Entitlement from their CREST account are recommended that they withdraw their Open Offer Entitlement by 4.30 p.m. on 12 July 2019.

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, Peel Hunt and Link Asset Services by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed “**Application Letter**” on page 3 of the Open Offer Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it is/they are, not located in, or citizen(s) or resident(s) of, any Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law, and that it is/they are, not located in the United States and, where such deposit is made by a beneficiary or 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.

4. Taxation

Information on taxation with regard to the Capital Raising for Qualifying Shareholders who are resident in the United Kingdom for UK tax purposes is set out in Part 11 of this document. The information contained in Part 11 of this document is intended only as a general guide to the current tax position in the United Kingdom and Qualifying Shareholders resident in the United Kingdom for UK tax purposes should consult their own tax advisers regarding the tax treatment of the Capital Raising in light of their own circumstances. Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult their professional advisers immediately.

5. Withdrawal rights

Qualifying Shareholders wishing to exercise the withdrawal rights under section 87Q(4) of FSMA after the issue by the Company of a prospectus supplementing this document (if any) must do so by lodging a written notice of withdrawal or by email to withdraw@linkgroup.co.uk, which shall not include a notice sent by facsimile, that must include the full name and address of the person wishing to exercise such statutory withdrawal rights and, if such person is a Qualifying CREST Shareholder, the participant ID and the member account ID of such Qualifying CREST Shareholder at Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than two Business Days after the date on which the supplementary prospectus is published or by email to withdraw@linkgroup.co.uk. Notice of withdrawal given by any other means or which is deposited with or received by Link Asset Services after expiry of such period will not constitute a valid withdrawal. Furthermore, it is the Company’s view that Qualifying Shareholders will not be capable of exercising their withdrawal rights after payment by the relevant person for the New Ordinary Shares applied for in full and the allotment of such New Ordinary Shares to such person becoming unconditional save to the extent required by statute. In such circumstances, any such accepting Qualifying Shareholder or renounee, wishing to withdraw is advised to seek independent legal advice. If you have any questions relating to the exercise of withdrawal rights, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

6. Overseas Shareholders

This document has been approved by the FCA, being the competent authority in the United Kingdom. Only Qualifying Shareholders will be able to participate in the Open Offer.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the United Kingdom wishing to participate in the Open Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholder who is in doubt as to his, her or its position should consult his, her or its professional adviser without delay.

7. General

The distribution of this document and the Open Offer Application Form and the making of the Open Offer 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 of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in the Open Offer.

No action has been, or will be, taken by the Company or any other person to permit a public offer or distribution of this document or the Open Offer Application Form in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. This section sets out the restrictions applicable to Shareholders who have registered addresses outside the United Kingdom, who are physically located outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside the United Kingdom, or who hold Ordinary Shares for the account or benefit of any such person.

Open Offer Entitlements and Excess Open Offer Entitlements will be issued to all Qualifying Shareholders holding Ordinary Shares at the Record Time. However, Open Offer Application Forms have not been, and will not be, sent to, and neither Open Offer Entitlements nor New Ordinary Shares will be credited to CREST accounts of, Restricted Shareholders, or to their agents or intermediaries.

Having considered the circumstances, the Directors have formed the view that it is necessary or expedient to restrict the ability of any Shareholders in the United States and other Restricted Jurisdictions to participate in the Open Offer due to the time and costs involved in the registration of the document and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Receipt of this document and/or an Open Offer Application Form or the crediting of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST will not constitute an offer in or into any Restricted Jurisdiction, including the United States, and, in those circumstances, this document and/or an Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or an Open Offer Application Form and/or receiving a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use the Open Offer Application Form or deal with Open Offer Entitlements and/or Excess Open Offer Entitlements in CREST unless, in the relevant jurisdiction (other than any Restricted Jurisdictions), such an invitation or offer could lawfully be made to him and the Open Offer Application Form or Open Offer Entitlements and/or Excess Open Offer Entitlements in CREST could lawfully be used or dealt with without contravention of any unfulfilled registration or other legal or regulatory requirements.

Accordingly, persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Open Offer Application Form or whose stock account in CREST is credited with Open Offer Entitlements and/or Excess Open Offer Entitlements should not, in connection with the Capital Raising, distribute or send the same in or into, or transfer Open Offer Entitlements or Excess Open Offer Entitlements to any person in, any Restricted Jurisdiction, including the United States. If an Open Offer Application Form or credit of Open Offer Entitlements and/or Excess Open Offer Entitlements in CREST is received by any person in any Restricted Jurisdiction, including the United States, or by their agent or nominee in any such territory, he must not seek to take up the entitlements referred to in the Open Offer Application Form or in this document or renounce the Open Offer Application Form or transfer the Open Offer Entitlements and/or Excess Open Offer Entitlements in CREST. Any person who does forward this document or an Open Offer Application Form into any Restricted Jurisdiction (whether under contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

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

The Company may, with the consent of Peel Hunt, treat as invalid any acceptance, or purported acceptance, of the offer of the Open Offer Entitlements and/or Excess Open Offer Entitlements which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if it believes or they believe that the same may violate applicable legal or regulatory requirements or if, in the case of an Open Offer Application Form, it provides an address for delivery of the definitive share certificates for New Ordinary Shares in, or, in the case of a credit of New Ordinary Shares in CREST, the Shareholder's registered address is in, a Restricted Jurisdiction, including the United States, or if the Company believes, or its agents believe, that the same may violate applicable legal or regulatory requirements.

Notwithstanding any other provisions of this document or the Open Offer Application Form, the Company reserves the right to permit any Overseas Shareholder (other than Restricted Shareholders) to take up his entitlements if the Company in its sole and absolute discretion, after consultation with Peel Hunt, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restriction in question. If the Company is so satisfied, the Company will arrange for the relevant Overseas Shareholder to be sent an Open Offer Application Form if he is reasonably believed to be a Qualifying Non-CREST Shareholder or, if he is reasonably believed to be a Qualifying CREST Shareholder, arrange for the CREST Open Offer Entitlements and Excess Open Offer Entitlements to be credited to the relevant CREST stock account.

Those Overseas Shareholders who wish, and are permitted, to take up their entitlements should note that payments must be made as described in paragraphs 3 and 4 of this Appendix A.

The provisions of this paragraph 7 will apply generally to Restricted Shareholders and other Overseas Shareholders who do not or are unable to take up New Ordinary Shares.

Specific restrictions relating to certain jurisdictions are set out below.

8. Offering restrictions relating to the United States

The New Ordinary Shares have not been and will not be registered under the US Securities Act or any relevant securities laws of any state or other jurisdiction of the United States and may not be offered, sold, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States absent applicable exemption from registration under federal and state securities laws. The New Ordinary Shares are being offered or sold only (i) outside the United States in offshore transactions, in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder and (ii) in the United States as part of the Placing to persons reasonably believed to be "qualified institutional buyers" as defined in Rule 144A under the US Securities Act.

No offering of Open Offer Shares is being made in the United States and neither this document nor the Open Offer Application Form constitutes or will constitute an offer or an invitation to apply for, or an offer or an invitation to acquire or subscribe for, any Open Offer Shares in the United States. The Open Offer Application Forms will not be sent to, and the Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to a stock account in CREST of, any Shareholder with a registered address in the United States.

Open Offer Application Forms postmarked in the United States, or otherwise despatched from the United States will not be accepted. No investment decision with respect to acquisition of the New Ordinary Shares should be made from within the United States. Subject to certain exemptions, no Open Offer Application Form will be accepted if it bears an address in Australia, New Zealand, Canada, the Republic of South Africa or Japan unless an appropriate exemption is available as referred to above.

Any person who subscribes for New Ordinary Shares will be deemed to have declared, represented, warranted and agreed to, by accepting delivery of this document or the Open Offer Application Form or by applying for New Ordinary Shares in respect of Open Offer Entitlements and/or Excess Open Offer Entitlements credited to a stock account in CREST, and delivery of the New Ordinary Shares, the representations and warranties set out in paragraph 8 of this Appendix A.

Any person who subscribes for New Ordinary Shares shall be deemed to represent and warrant to the Company and Peel Hunt that no portion of the assets used to purchase, and no portion of the assets used to hold, the New Ordinary 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; (ii) a “plan” as defined in Section 4975 of the US Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Code; or (iii) 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 US Code. 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 Code, its purchase, holding, and disposition of the New Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law.

The Company reserves the right, with the consent of Peel Hunt, to treat as invalid any Open Offer Application Form: (i) that appears to the Company or its agents to have been executed in or despatched from the United States; or (ii) where the Company believes acceptance of such Open Offer Application Form may infringe applicable legal or regulatory requirements, and the Company shall not be bound to issue any New Ordinary Shares in respect of any such Open Offer Application Form. In addition, the Company reserves the right, in its absolute discretion, with the consent of Peel Hunt, to reject any USE Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares.

8.1 *Other overseas territories*

Open Offer Application Forms will be posted to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess Open Offer Entitlements will be credited to the CREST stock accounts of Qualifying CREST Shareholders. No offer of or invitation to subscribe for New Ordinary Shares is being made by virtue of this document or the Open Offer Application Form into the Restricted Jurisdictions. Overseas Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, accept their entitlements under the Capital Raising in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Open Offer Application Form.

Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements and any Excess Open Offer Entitlements. If you are in any doubt as to your eligibility to accept the offer of New Ordinary Shares, you should contact your appropriate professional adviser immediately.

9. Representations and warranties relating to overseas territories

9.1 *Qualifying Non-CREST Shareholders*

Any person completing and returning an Open Offer Application Form or requesting registration of the New Ordinary Shares comprised therein represents and warrants to the Company that: (i) such person is not completing and returning such Open Offer Application Form from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Ordinary Shares or to use the Open Offer Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within the United States or any other Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept or renounce was given; and (iv) such person is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any other Restricted Jurisdiction or any territory referred to in (ii) above.

The Company may, with the consent of Peel Hunt, treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, an Open Offer Application Form if it: (a) appears to the Company to have been executed in or despatched from the United States or any other Restricted Jurisdiction or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if the Company believes the same may violate any applicable legal or regulatory requirement; (b) provides an address in any Restricted Jurisdiction, including the United States, for delivery of definitive share certificates for New Ordinary Shares (or any jurisdiction outside the UK in which

it would be unlawful to deliver such certificates); or (c) purports to exclude the representation and warranty required by this section.

9.2 **Qualifying CREST Shareholders**

A Qualifying CREST Shareholder who makes a valid acceptance in accordance with the procedure set out in paragraph 4 of this Appendix A represents and warrants to the Company and Peel Hunt that: (i) he is not within any of the Restricted Jurisdictions, including the United States; (ii) he is not in any territory in which it is unlawful to make or accept an offer to acquire or subscribe for New Ordinary Shares; (iii) he is not acting on a non-discretionary basis for a person located within the United States or any other Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any other Restricted Jurisdiction or any territory referred to in (ii) above.

The Company may, with the consent of Peel Hunt, treat as invalid any USE Instruction which:

- (a) appears to the Company to have been despatched from the United States or any other Restricted Jurisdiction or otherwise in a manner which may involve a breach of the laws of any jurisdiction or which they or their agents believe may violate any applicable legal or regulatory requirement; or
- (b) purports to exclude the representation and warranty required by this paragraph.

10. **UK Data protection**

10.1 Each Shareholder applying for Open Offer Shares acknowledges and agrees that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website www.regionalreit.com (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:

- 10.1.1 process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the Shareholder’s holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on the Shareholder;
- 10.1.2 communicate with the Shareholder as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
- 10.1.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and
- 10.1.4 process the personal data for the Registrar’s internal administration.

10.2 In order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:

- 10.2.1 third parties located either within or outside of the EEA, if necessary for the Registrar to perform its functions or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
- 10.2.2 its affiliates, the Company (in the case of the Registrar) or the Asset Manager and their respective associates, some of which may be located outside of the EEA .

- 10.3 Any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company's Privacy Notice.
- 10.4 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each Shareholder hereby represents and warrants to the Registrar that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 10).
- 10.5 Each Shareholder acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Shareholder is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- 10.6 Each Shareholder acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Shareholder is not a natural person it represents and warrants that:
- 10.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Shareholder may act or whose personal data will be disclosed to the Company as a result of the Shareholder agreeing to subscribe for Ordinary Shares; and
- 10.6.2 the Shareholder has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 10.7 Where the Shareholder acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Open Offer:
- 10.7.1 comply with all applicable data protection legislation;
- 10.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
- 10.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- 10.7.4 immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect loss and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Shareholder to comply with the provisions set out above.

11. Guernsey data protection

- 11.1 Each Shareholder applying for Open Offer Shares acknowledges that information provided by it to the Company or the Administrator will be stored on the Administrator's computer system and manually. Each Shareholder acknowledges that by submitting personal data to the Administrator (acting for and on behalf of the Company) or the Company in the case of a Shareholder where (a) the Shareholder is a natural person or (b) where the Shareholder is not a natural person, he/she/it (as the case may be) represents and warrants that he/she/it (as applicable):
- 11.1.1 has read and understood the terms of the Privacy Notice; and/or;

- 11.1.2 has brought the Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Shareholder may act or whose personal data will be disclosed to the Administrator or the Company as a result of the Shareholder entering into an Open Offer Application Form; and
- 11.1.3 the Shareholder has complied in all other respects with Data Protection Laws in respect of disclosure and provision of personal data to the Administrator and the Company.
- 11.2 Where the Shareholder acts for or on account of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising out of an Application Form:
- 11.2.1 comply with all applicable Data Protection Laws;
- 11.2.2 take appropriate technical and organizational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
- 11.2.3 if required, agree with the Company and the Administrator, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- 11.2.4 immediately on demand, fully indemnify the Company and/or the Administrator and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Administrator in connection with any failure by the Investor to comply with the provisions of this paragraph 11.
- 11.3 For the purposes of this paragraph 11 the following definitions shall apply:
- "authorised third parties"** means any counterparty with whom the Company enters or is contemplating entering into a contract, agreement or arrangement in order to deliver the Services including the counterparty's officers, employees, sub-processors and sub-contractors authorised by the directors of the Company to provide the Services;
- "Data Protection Laws"** means the Directives and the Regulation (as amended or replaced from time to time), guidance, directions, determinations, codes of practice, circulars, orders, notices or demands issued by Data Protection Commissioner as defined under Guernsey law, and any applicable national, international, regional, municipal or other data protection authority or supervisory authority or other data protection laws or regulations in any other territory in which the Services are provided or received or which are otherwise applicable and, in particular, the Guernsey DP Law;
- "Directives"** mean the European Data Protection Directive (95/46/EC) and the European Privacy and Electronic Communications Directive (Directive 2002/58/EC);
- "Guernsey DP Law"** means the Data Protection (Bailiwick of Guernsey) Law, 2017;
- "personal data"** shall have the meaning attributed to it in the Data Protection Laws;
- "Regulation"** means Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as and when it becomes applicable;
- "Services"** means the services provided to the Company by the Administrator; and
- "Third Party Applicant"** means an individual (being a natural person) or corporate legal body each acting on behalf of the data subjects.

A reference to a statute or statutory provision is a reference to it as amended, extended or, re-enacted from time to time (and for so long as it remains in force) and shall include all subordinate legislation.

12. Further information

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST 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.

12.1 Waiver

The provisions of paragraphs 7 and 8 of this Appendix A and of any other terms of the Capital Raising relating to Restricted Shareholders may be waived, varied or modified as regards specific Shareholder(s) or on a general basis by the Company in its absolute discretion after consultation with Peel Hunt. Subject to this, the provisions of paragraphs 7 and 8 of this Appendix A supersede any terms of the Capital Raising inconsistent herewith. References in paragraphs 7 and 8 of this Appendix A and in this paragraph 12 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 12 shall apply jointly to each of them.

12.2 Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 19 July 2019. On issue, the New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and will have the same rights and restrictions as each Existing Ordinary Share, including in respect of any dividends or distributions declared in respect of the New Ordinary Shares following Admission. The New Ordinary Shares will be created under the Companies Law and the legislation made thereunder, will be issued in registered form and will be capable of being held in both certificated and uncertificated form.

Applications will be made for the New Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Admission of the New Ordinary Shares will become effective and dealings in the New Ordinary Shares will commence by 8.00 a.m. on 23 July 2019 (whereupon an announcement will be made by the Company through a Regulatory Information Service).

12.3 Times and dates

The Company shall in its discretion, after consultation with Peel Hunt, be entitled to amend the dates that Open Offer Application Forms are despatched or dealings in New Ordinary Shares commence and amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall announce such amendments through a Regulatory Information Service and, if appropriate, notify Shareholders.

If a supplementary prospectus 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 document, 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 prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

12.4 Jurisdiction

The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute, whether contractual or non-contractual, which may arise out of or in connection with the Capital Raising, this document and the Open Offer Application Form. By accepting entitlements under the Capital Raising in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Open Offer Application Form, Qualifying Shareholders irrevocably submit to the exclusive 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.

APPENDIX B

TERMS OF AND CONDITIONS TO THE PLACING

1. Eligible participants

Members of the public are not eligible to take part in the Placing. This Appendix B and the terms and conditions set out herein are for information purposes only and are directed only at:

- 1.1 persons in member states of the European Economic Area (other than the United Kingdom) who are (i) “qualified investors” within the meaning of article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC, as amended by the 2010 PD Amending Directive (Directive 2010/73/EU)) (“**Qualified Investors**”) and (ii) if that member state has implemented the AIFM Directive, that it is a person to whom Placing Shares may be lawfully marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that member state; and
- 1.2 where addressed to and directed to persons in the United Kingdom, to persons who are also those:
 - 1.2.1 who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “**FPO**”); or
 - 1.2.2 who are high net worth entities as described in article 49(2) of the FPO; or
 - 1.2.3 to whom it may otherwise be lawfully communicated and in all cases who are capable of being categorised as a professional client or an eligible counterparty for the purposes of the FCA Conduct of Business Rules (all such persons being together referred to as “**Relevant Persons**”). These terms and conditions must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which these terms and conditions relates is available only to Relevant Persons and will be engaged in only with Relevant Persons; and
- 1.3 certain persons in the United States who the Company reasonably believes to be “qualified institutional buyers” as defined in Rule 144A under the US Securities Act, each of whom will be required to provide the Company and Peel Hunt with additional representations (the “**Representation Letter**”).

2. Introduction

- 2.1 Participation in the Placing is only available to persons who are invited to participate by Peel Hunt. These terms and conditions apply to persons making an offer to subscribe for Placing Shares under the Placing. Each of the Placees agrees with Peel Hunt and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued under the Placing. A Placee shall, without limitation, become so bound if Peel Hunt confirms its allocation of Placing Shares to such Placee at the Issue Price.
- 2.2 Upon being notified of its allocation of Placing Shares (whether orally or in writing, which includes e-mail) by Peel Hunt, a Placee shall be contractually committed to subscribe for the number of Placing Shares allocated to them at the Issue Price and to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment (the “**Placing Commitment**”). Peel Hunt may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it may, in its absolute discretion, see fit and/or may require such Placee to execute a separate placing letter. Dealing may not begin before any notification is made.
- 2.3 If Peel Hunt, the Receiving Agent or the Company or any of their agents request any information about a Placee’s agreement to subscribe for Placing Shares under the Placing, such Placee must promptly disclose it to them.
- 2.4 This document will not constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Subject to certain exceptions, all persons applying for New Ordinary Shares and wishing to hold such New Ordinary Shares in

registered form must provide an address for registration of the New Ordinary Shares outside the United States.

- 2.5 Subject to certain exceptions, any person who applies for New Ordinary Shares will be deemed to have declared, warranted and agreed that they are not, and that at the time of application they will not be, in the United States.
- 2.6 The Company reserves the right to treat as invalid any application for New Ordinary Shares (i) which does not contain a warranty to the effect that the person applying for New Ordinary Shares does not have a registered address and is not otherwise located in the United States and is not applying for New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of the New Ordinary Shares in the United States or where the Company believes application for such New Ordinary Shares may infringe applicable legal or regulatory requirements or (ii) if the person applying for New Ordinary Shares has a registered address in or otherwise is located in the United States or is a US Person or is acting on behalf of any of the foregoing, such person has not executed and delivered to the Company the Representation Letter.

3. Agreement to subscribe for Placing Shares

The Placing is conditional upon the following conditions, amongst others:

- 3.1 the Capital Raising Resolution being passed at the Extraordinary General Meeting;
- 3.2 the Placing Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms before Admission; and
- 3.3 Admission becoming effective by not later than 8.00 a.m. on 23 July 2019 (or such later time and/or date as the Company and Peel Hunt may agree (being no later than 8.00 a.m. on 9 August 2019)).

Subject to the above conditions, a Placee agrees to become a Shareholder and agrees to subscribe for Placing Shares at the Issue Price. The number of Placing Shares issued to a Placee shall be in accordance with the arrangements described above.

If any of the conditions set out in the Placing Agreement is not fulfilled or, where permitted, waived to the extent permitted by law or regulation in accordance with the Placing Agreement, or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

The Company has undertaken that the Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares and will have the same rights and restrictions as each Existing Ordinary Share, including in respect of any dividends or distributions declared in respect of the New Ordinary Shares following Admission.

The commitments of Placees to subscribe for the number of Placing Shares allocated to them pursuant to the Placing is subject to the right of the Company to clawback any or all of such Placing Shares in order to satisfy valid applications by Qualifying Shareholders under the Open Offer, the Excess Application Facility, the Offer for Subscription and/or the Intermediaries Offer. The number of Placing Shares to be clawed back from Placees pursuant to the Placing will be calculated pro rata to each Placee's commitment to subscribe for Placing Shares.

4. Payment for Placing Shares

Each Placee undertakes to pay the Issue Price for the Placing Shares issued to such Placee (the "**Total Amount**") in such manner as shall be directed by Peel Hunt. In the event of any failure by a Placee to pay as so directed by Peel Hunt, the relevant Placee shall be deemed hereby to have appointed Peel Hunt or any of its nominees to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as so directed and to have agreed to indemnify on demand Peel Hunt in respect of any liability for UK stamp duty and/or stamp duty reserve tax arising in respect of any such sale or sales. A sale of all or any of such Placing Shares shall not release the

relevant Placee from the obligation to make such payment for Placing Shares to the extent that Peel Hunt or its nominee has failed to sell such Placing Shares at a consideration which after deduction of expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is equal to or exceeds the Issue Price per Placing Share.

5. Representations and warranties

By receiving this document, each Placee and/or any person confirming his agreement to subscribe for Placing Shares on behalf of a Placee or authorising Peel Hunt to notify a Placee's name to the Receiving Agent, is deemed to acknowledge, agree, undertake, represent and warrant to each of Peel Hunt, the Receiving Agent and the Company that:

- 5.1 it has read and understood this document in its entirety and that its acquisition of the New Ordinary Shares is made solely on the terms and subject to the conditions, representations, warranties, acknowledgements, agreements and undertakings contained herein and in the Representation Letter, if applicable;
- 5.2 it has made its own assessment of the New Ordinary Shares, has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and has not relied on Peel Hunt or any person affiliated with Peel Hunt in connection with such assessment, investigation or acceptance;
- 5.3 neither Peel Hunt nor any of its affiliates or any person acting on behalf of any of them has provided, or will provide the Placee, with any material or information regarding the New Ordinary Shares or the Placing other than this document; nor has the Placee requested Peel Hunt, the Company or any of its or their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
- 5.4 the content of this document is exclusively the responsibility of the Company and that neither Peel Hunt, its affiliates nor any person acting on behalf of any of them has or shall have any responsibility or liability for any information, representation or statement contained in this document or any information previously or subsequently published by or on behalf of the Company;
- 5.5 it has made its own assessment of the Company and the terms of the Placing based on this document and the Company's publicly available information, such information being all that it deems necessary to make an investment decision in respect of the New Ordinary Shares and that it has neither received nor relied on any information given or representations, warranties or statements made by Peel Hunt or the Company or any of their affiliates or any person acting on behalf of any of them and neither Peel Hunt nor the Company nor any of its or their affiliates nor any person acting on behalf of any of them will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any information, representation, warranty or statement other than that contained in this document;
- 5.6 in agreeing to subscribe for Placing Shares under the Placing, 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 or the Placing;
- 5.7 it will not hold Peel Hunt or any of its affiliates or any person acting on its behalf responsible or liable for any misstatements in, or omission from, any publicly available information relating to the Company and that Peel Hunt, nor any person acting on behalf of any of them makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information or accepts any responsibility for any such information;
- 5.8 it acknowledges that the New Ordinary Shares will be admitted to the Official List of the FCA and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FCA and the Placee is able to obtain or access such information without undue difficulty and is able to obtain access to such information or comparable information concerning any other publicly traded company without undue difficulty;

- 5.9 it has the funds available to pay the Total Amount payable pursuant to its Placing Commitment and acknowledges, agrees and undertakes that it will pay the Total Amount in accordance with the terms of this Appendix B on the due time and dates notified by Peel Hunt, failing which the relevant New Ordinary Shares may be placed with other placees or sold at such price as Peel Hunt determines;
- 5.10 it:
- 5.10.1 if an entity, is duly incorporated and validly existing under the laws of its jurisdiction of incorporation or organisation;
 - 5.10.2 is entitled to subscribe for the New Ordinary Shares under the laws of all relevant jurisdictions which apply to it;
 - 5.10.3 has fully observed such laws and that it has not taken any action or omitted to take any action which will result in the Company, Peel Hunt or the Receiving Agent 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 in connection with the Placing;
 - 5.10.4 has the requisite capacity and authority and is entitled to enter into and to perform its obligations as a subscriber for New Ordinary Shares and to execute and deliver all documents necessary for such subscription and will honour such obligations; and
 - 5.10.5 has obtained all necessary consents and authorities (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix B of this document) to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledge it is required to comply with all applicable laws and regulations with respect to its subscription for the New Ordinary Shares;
- 5.11 after giving effect to its subscription of the New Ordinary Shares comprised in its Placing Commitment, it will inform Peel Hunt if such acquisition will cause it to be required to make a notification to the Company in accordance with Rule 5.1.2R of the Disclosure Guidance and Transparency Rules;
- 5.12 after giving effect to its subscription of the New Ordinary Shares comprised in its Placing Commitment, its total aggregate holding of issued Ordinary Shares, together with any such Ordinary Shares held by any person acting in concert with its (as that term is used for the purposes of the City Code), will not exceed 29.9 per cent. of the voting rights of the Company;
- 5.13 unless it otherwise notifies in writing to the Company and Peel Hunt, it is not, and any person who it is acting on behalf of is not, and at the time the New Ordinary Shares are subscribed will not be, a resident of, or with an address in, Australia, New Zealand, The Republic of South Africa, Canada, Japan or the United States, and it acknowledges and agrees that the New Ordinary Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, New Zealand, The Republic of South Africa, Canada, Japan or the United States and, subject to certain exceptions, may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
- 5.14 either (i) it is located outside the United States, it is acquiring the shares in an “offshore transaction” (within the meaning of Regulation S) and it will not offer, sell or deliver, directly or indirectly, any New Ordinary Shares in or into the United States in violation of applicable securities laws or (ii) it is a “qualified institutional buyer” as defined in Rule 144A under the US Securities Act and it is acquiring the New Ordinary Shares pursuant to an exemption from the registration requirements of the US Securities Act and in compliance with the applicable securities laws of any state or other jurisdiction of the United States;
- 5.15 it will not offer, sell or deliver, directly or indirectly, any New Ordinary Shares in or into the United States; and if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of New Ordinary Shares or any beneficial interest therein, it will do so only (i) in an “offshore

transaction” (within the meaning of Regulation S) to a person outside the United States, (ii) to the Company, (iii) in a transaction pursuant to Rule 144A under the US Securities Act or (iv) pursuant to an effective registration statement under the US Securities Act;

- 5.16 it acknowledges that New Ordinary Shares issued in certificated form will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS SECURITY MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT (1) IN AN “OFFSHORE TRANSACTION” COMPLYING WITH REGULATION S UNDER THE US SECURITIES ACT, (2) TO A QUALIFIED INSTITUTIONAL BUYER UNDER RULE 144A UNDER THE US SECURITIES ACT, OR (3) TO THE COMPANY, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. ANY OFFER, SALE, TRANSFER, PLEDGE, ASSIGNMENT OR DISPOSAL MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS WILL BE SUBJECT TO THE COMPULSORY TRANSFER PROVISIONS SET OUT IN THE ARTICLES OF THE COMPANY.”

- 5.17 it acknowledges and agrees that there is no present intention to register any of the New Ordinary Shares for sale or re-sale under the US Securities Act and that there can be no representation as to the availability of any exemption under the US Securities Act;
- 5.18 if it is a “municipal entity” within the meaning of Section 15B(e)(8) of the US Exchange Act or an “obligated person” within the meaning of Section 15B(e)(10) of the US Exchange Act, the amounts invested by it in the Company will not constitute “proceeds of municipal securities” or “municipal escrow investments”, and it acknowledges that neither the Company, the Asset Manager, the Investment Manager nor their respective affiliates provide, or intend to provide, advice to the Company with respect to investment strategies that are plans or programs for the investment of the proceeds of municipal securities or the recommendation of or brokerage of municipal escrow investments;
- 5.19 it is aware and acknowledges that the Company may be regarded as a “covered fund” and that the New Ordinary Shares may be regarded as “ownership interests” for purposes of Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the “Volcker Rule”, and accordingly the ability of certain regulated financial institutions to invest or hold New Ordinary Shares may be limited;
- 5.20 if in the United Kingdom it is:
- 5.20.1 a person described in Article 19(5) (Investment Professionals) and/or 49(2) (high net worth companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “FPO”), and/or an authorised person as defined in section 31 of FSMA; or
 - 5.20.2 a high net worth entity as described in Article 49(2) of the FPO; or
 - 5.20.3 a person to whom this document may otherwise lawfully be communicated and in all cases who is capable of being categorised as a professional client or an eligible counterparty for the purposes of the FCA Conduct of Business Rules.

For such purposes, it undertakes that it will acquire, hold, manage and (if applicable) dispose of any New Ordinary Shares that are allocated to it for the purposes of its business only;

- 5.21 it has such knowledge, sophistication and experience in financial and business matters that it is capable of evaluating the merits and risks of its purchase of the New Ordinary Shares comprised in its Placing Commitment, and it is able to bear the economic risk and financial risk (including sustaining a complete loss) of the purchase of such New Ordinary Shares and it has had sufficient time to consider and conduct its own investigation with respect to its purchase of the New Ordinary Shares including the legal, regulatory, tax, business, currency and other economic

and financial considerations relevant to such investment and it will not look to the Company, Peel Hunt, or any of their respective affiliates or any person acting on their behalf for all or part of any loss it may suffer in connection with its purchase of such New Ordinary Shares;

- 5.22 it has only communicated, or caused to be communicated, and will only communicate, or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the New Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this document is not being issued by Peel Hunt in its capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if it were made or approved as a financial promotion by an authorised person;
- 5.23 it is aware of and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the New Ordinary Shares in, from or otherwise involving, the United Kingdom;
- 5.24 in the case of any Placing Shares acquired by a Placee as a financial intermediary within the European Economic Area as that term is used in Article 3(2) of the Prospectus Directive: (a) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any EEA State (other than the United Kingdom) other than Qualified Investors or in circumstances in which the prior consent of Peel Hunt has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in any EEA State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 5.25 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- 5.26 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing 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 material could lawfully be provided to it or such person and Placing 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;
- 5.27 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 Placing Shares under the Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;
- 5.28 it has not been engaged to subscribe for the New Ordinary Shares on behalf of any other person who is not a Qualified Investor unless the terms on which it is engaged enable it to make decisions concerning the acceptance of offers of transferable securities on the client's behalf without reference to the client as described in section 86(2) of FSMA;
- 5.29 it is aware of, and acknowledges that it is required to comply with, its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by such laws and regulations and arrangements have been entered into with the third party to obtain from the third party copies of any identification and verification data immediately on request as required by the Money Laundering Regulations;
- 5.30 it is aware of, and has complied with, its obligations under the Criminal Justice Act 1993 and the Market Abuse Regulation and confirms that it will continue to comply with those obligations;

- 5.31 the allocation, allotment, issue and delivery to the Placee, or the person specified by it for registration as a holder of New Ordinary Shares, will not give rise to a stamp duty or stamp duty reserve tax liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that no instrument under which it subscribes for New Ordinary Shares (whether as principal, agent or nominee) would be subject to stamp duty or the increased rates referred to in those sections and that it, or the person specified by it for registration as a holder of New Ordinary Shares, is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of New Ordinary Shares would give rise to such a liability;
- 5.32 it, or the person specified by it for registration as a holder of the New Ordinary Shares, will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto), if any, payable on acquisition of any of the New Ordinary Shares or the agreement to subscribe for the New Ordinary Shares and acknowledges and agrees that neither Peel Hunt nor the Company nor any of its or their respective affiliates nor any person acting on behalf of any of them will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement;
- 5.33 neither Peel Hunt nor any of its affiliates nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that its participation in the Placing is on the basis that it is not, and will not be, a client of Peel Hunt and that Peel Hunt does not have any duties or responsibilities to it for providing the protections afforded to their clients or customers under the rules of the FCA or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their respective rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right. In addition, any payment by them will not be treated as client money governed by the rules of the FCA;
- 5.34 it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to subscribe for the Placing Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (c) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Peel Hunt. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- 5.35 if it is acting as a "distributor" (for the purposes of the MiFID II Product Governance Requirements):
- 5.35.1 it acknowledges that the Target Market Assessment undertaken by Peel Hunt does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels;
- 5.35.2 notwithstanding any Target Market Assessment undertaken by Peel Hunt, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares with the end target market;
- 5.35.3 it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom; and

- 5.35.4 it agrees that if so required by Peel Hunt, it shall provide aggregate summary information on sales of the Ordinary Shares as contemplated under rule 3.3.30(R) of the PROD Sourcebook and information on the reviews carried out under rules 3.3.26(R) to 3.3.28(R) of the PROD Sourcebook;
- 5.36 in order to ensure compliance with the Money Laundering Regulations and the countering of terrorist finance requirements, Peel Hunt (for itself and as agent on behalf of the Company) or the Company's registrars may, in its or their absolute discretion, require verification of any Placee's identity and verification of the source of the payment. Pending the provision to Peel Hunt or the Receiving Agent, as applicable, of evidence of identity and/or source of payment, definitive certificates in respect of the New Ordinary Shares may be retained at its or their absolute discretion or, where appropriate, delivery of the New Ordinary Shares to it in uncertificated form, may be retained at Peel Hunt's or the Receiving Agent's, as the case may be, absolute discretion, if within a reasonable time after a request for verification of identity and/or source of payment Peel Hunt (for itself and as agent on behalf of the Company) or the Receiving Agent have not received evidence satisfactory to them, Peel Hunt and/or the Company may, at the absolute discretion of each, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
- 5.37 it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the New Ordinary Shares for which valid applications are received and accepted are not admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then neither of Peel Hunt 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;
- 5.38 in connection with its participation in the Placing it has observed all relevant legislation and regulations and it will not infringe any applicable law as a result of its agreement to acquire Placing Shares under the Placing;
- 5.39 it acknowledges that Peel Hunt 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;
- 5.40 any of its clients, whether or not identified to Peel Hunt, will remain its sole responsibility and will not become clients of Peel Hunt for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 5.41 it accepts that the allocation of Placing Shares shall be determined by the Company in its absolute discretion (following consultation with Peel Hunt) and that the Company may scale down any commitments for this purpose on such basis as it may determine;
- 5.42 time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing;
- 5.43 the Company reserves the right to reject all or part of any offer to purchase Placing Shares for any reason. The Company also reserves the right to sell fewer than all of the New Ordinary Shares offered by this document or to sell to any purchaser fewer than all of the Placing Shares a purchaser has offered to purchase;
- 5.44 save in the event of fraud (and to the extent permitted by the rules of the FCA), neither Peel Hunt nor any of its affiliates shall be liable to a Placee for any matter arising out of the role of Peel Hunt as the Company's broker under the Placing and each Placee waives any claim against Peel Hunt or any of its affiliates with it may have in respect thereof;
- 5.45 the Placee irrevocably appoints any duly authorised officer of Peel Hunt as its agent for the purpose of executing and delivering to the Company and/or the Receiving Agent any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Appendix B of this document;

- 5.46 it agrees to indemnify and hold the Company, Peel Hunt and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach of the representations, warranties, undertakings, agreements and acknowledgements set out in this Appendix B of this document; and
- 5.47 no portion of the assets used to purchase, and no portion of the assets used to hold, the New Ordinary 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; (ii) a “plan” as defined in Section 4975 of the US Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Code; or (iii) 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 US Code. 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 Code, its purchase, holding, and disposition of the New Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law.

Notwithstanding anything to the contrary, the New Ordinary Shares made available under the Placing may be offered and sold in the United States only to persons reasonably believed to be QIBs in reliance on Section 4(a)(2) of the US Securities Act or pursuant to another exemption from the registration requirements of the US Securities Act. In addition to the applicable acknowledgements, agreements, undertakings, representations and warranties set forth above, each Placee in the United States will be deemed to have made the following additional acknowledgements, agreements, undertakings, representations and warranties to each of Peel Hunt, the Receiving Agent and the Company:

- (A) None of the New Ordinary Shares have been, or will be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.
- (B) There will be no public offer of the New Ordinary Shares in the United States.
- (C) The New Ordinary Shares made available under the Placing are being offered and sold in the United States only to persons reasonably believed to be QIBs in reliance on Section 4(a)(2) of the US Securities Act or pursuant to another exemption from the registration requirements of the US Securities Act. Accordingly, the Company is not extending the Open Offer, the Offer for Subscription or the Intermediaries Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available.
- (D) It (a) is a qualified institutional buyer, or QIB, as defined in Rule 144A under the US Securities Act, or acting for the account of a QIB, (b) is acquiring the securities for its own account or for the account of a QIB, and (c) is aware that the securities are restricted within the meaning of the U.S. Securities Act of 1933, as amended, and may not be deposited into any unrestricted depository facility, unless at the time of such deposit the securities are no longer restricted.
- (E) It is aware that such securities have not been and will not be registered under the US Securities Act and are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the US Securities Act.

Any person in the United States into whose possession this document comes should inform himself or herself about and observe any applicable legal restrictions; any such person in the United States who is not a QIB is required to disregard the Open Offer, Offer for Subscription and Intermediaries Offer. No representation has been, or will be, made by the Company or Peel Hunt as to the availability of Rule 144 under the US Securities Act or any other exemption under the US Securities Act or any state securities laws for the reoffer, pledge or transfer of the New Ordinary Shares.

The Placee acknowledges and understands that the Company and Peel Hunt will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, acknowledgements and undertakings and it agrees that if any of the foregoing representations, warranties, agreements, acknowledgments and undertakings cease to be true and accurate it will promptly notify Peel Hunt and the Company.

The Placee indemnifies on an after-tax basis and holds harmless Peel Hunt and each person affiliated with it and any person acting on its behalf from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings set out in this Appendix B of this document and further agrees that the provisions of this Appendix B of this document shall survive after completion of the Placing.

6. Data protection

- 6.1 Each Placee acknowledges and agrees that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website www.regionalreit.com (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:
- 6.1.1 process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the Placee’s holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on the Placee;
 - 6.1.2 communicate with the Placee as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - 6.1.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - 6.1.4 process the personal data for the Registrar’s internal administration.
- 6.2 In order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
- 6.2.1 third parties located either within or outside of the EEA, if necessary for the Registrar to perform its functions or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - 6.2.2 its affiliates, the Company (in the case of the Registrar) or the Asset Manager and their respective associates, some of which may be located outside of the EEA .
- 6.3 Any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company’s Privacy Notice.
- 6.4 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each Placee hereby represents and warrants to the Registrar that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company’s Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 6).

- 6.5 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- 6.6 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants that:
- 6.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company as a result of the Placee agreeing to subscribe for Ordinary Shares; and
- 6.6.2 the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 6.7 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
- 6.7.1 comply with all applicable data protection legislation;
- 6.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
- 6.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- 6.7.4 immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect loss and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

7. Miscellaneous

The rights and remedies of Peel Hunt, the Receiving Agent and the Company under these terms and conditions as set out in this Appendix B of this document 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, each Placee may be asked to disclose, in writing or orally to Peel Hunt:

- if he is an individual, his nationality; or
- if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to Peel Hunt.

The provisions of these terms and conditions of the Placing may be waived, varied or modified as regards specific Placees or on a general basis by Peel Hunt without reference to any Placee and with no liability to any Placee whatsoever.

The contract to subscribe for New Ordinary Shares and the appointments and authorities mentioned herein (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 Peel Hunt, the Company and the Receiving Agent, each Placee irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters 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 a Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for New Ordinary Shares, references to a “**Placee**” in these terms and conditions are to each of such Placees and such joint Placees’ liability is joint and several.

Peel Hunt and the Company each expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations of Placing Shares under the Placing are determined.

APPENDIX C

TERMS OF AND CONDITIONS TO THE OFFER FOR SUBSCRIPTION

1. Introduction

These terms and conditions apply to persons agreeing to subscribe for New Ordinary Shares under the Offer for Subscription at the Issue Price. The New Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions declared, if any, in respect of the issued Ordinary Share capital following Admission.

Applications to acquire New Ordinary Shares must be made on the Subscription Form attached as Appendix D to this document or otherwise published by the Company.

Each person to whom these terms and conditions apply, as described above, who confirms its agreement to the Company to subscribe for New Ordinary Shares (an “Investor”) hereby agrees with Peel Hunt, the Company, and the Registrar to be bound by these terms and conditions as being the terms and conditions upon which New Ordinary Shares will be issued and sold under the Offer for Subscription. An Investor shall, without limitation, become so bound if the Company confirms to the Investor its allocation of New Ordinary Shares, and so notifies the Registrar.

2. Acceptance of your offer

2.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional on:

2.1.1 the passing of the Capital Raising Resolution without amendment to be proposed at the Extraordinary General Meeting;

2.1.2 Admission occurring on or prior to 8.00 a.m. on 23 July 2019 (or such later time and/or date as the Company and Peel Hunt may agree, being not later than 8.00 a.m. on 9 August 2019); and

2.1.3 the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms prior to Admission.

2.2 To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not exercise any remedy of rescission, termination or withdrawal at any time after acceptance. This does not affect any other rights such Investor may have.

3. Payment for New Ordinary Shares

3.1 Each Investor undertakes to pay the Issue Price in full for the New Ordinary Shares issued under the Offer for Subscription to such Investor in such manner as shall be directed by the Company. Liability for stamp duty and SDRT is described in the section entitled “**Stamp Duty and Stamp Duty Reserve Tax**” contained in Part 11 of this document.

3.2 In the event of any failure by any Investor to pay as so directed by the Company, the relevant Investor shall be deemed hereby to have appointed the Company or any nominee thereof to sell (in one or more transactions) any or all of the New Ordinary Shares in respect of which payment shall not have been made as directed by the Company and to have agreed to indemnify on demand the Company in respect of any liability for stamp duty and/or SDRT arising in respect of any such sale or sales.

3.3 To ensure compliance with the Money Laundering Regulations, the Company (or any of its agents) may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf a Subscription Form is lodged with payment. If the Subscription Form is submitted by a UK 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 Company (or any of its agents). Failure to provide the necessary evidence of identity within a reasonable time may result in delays or applications being rejected.

- 3.4 The person lodging the Subscription Form with payment and in accordance with the other terms as described above, including any person who appears to the Company (or any of its agents) to be acting on behalf of some other person, accepts the Offer for Subscription in respect of such number of offered New Ordinary Shares as is referred to therein and shall thereby be deemed to agree to provide the Company (or any of its agents) with such information and other evidence as the Company (or any of its agents) may require to satisfy the verification of identity requirements.
- 3.5 Submission of a Subscription Form with the appropriate remittance will constitute a warranty to each of the Company, the Administrator and the Receiving Agent from the Investor that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:
- 3.5.1 if the Applicant is an organisation required to comply with the Money Laundering Directive (2015/849 of the European Parliament and of the EC Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing); or
- 3.5.2 if the Investor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- 3.5.3 if the aggregate subscription price for the offered New Ordinary Shares is less than €15,000 (approximately £13,000).
- 3.6 If the Subscription Form(s) is/are in respect of New Ordinary Shares with an aggregate subscription price of more than €15,000 (approximately £13,000) and is/are lodged by hand by the Investor in person, or if the Subscription Form(s) in respect of New Ordinary Shares is/are lodged by hand by the Applicant and the accompanying payment is not the Applicant'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.
- 3.7 If, within a reasonable period of time following a request for verification of identity, and in any case by 7.00 p.m. on 18 July 2019, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, as agent of the Company and upon instruction from 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).
- 3.8 All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom, Jersey, Guernsey or the Isle of Man of a bank or a building society 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 banker's drafts to be cleared through the facilities provided by those companies or committees: cheques and 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 sole or joint title to the funds, should be made payable to **Link Market Services Limited** re: "**Regional REIT Limited – OFS A/C**" in respect of an Application and crossed "**A/C Payee Only**". Cheques should be for the full amount payable on Application. Post-dated cheques and payment via CHAPS, BACS or electronic transfer will not be accepted.
- 3.9 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 back of the cheque/banker's draft to such effect. The account name should be the same as that shown on the Subscription Form.

3.10 The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of a Subscription Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above):

3.10.1 applicants should make payment by a cheque drawn on an account in their own name from a UK bank account and write their name and address on the back of the banker's draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above; and

3.10.2 if an Applicant makes the Application as agent for one or more persons, he should indicate on the Subscription Form whether he is a UK or EU-regulated person or institution (for example a bank or stockbroker) and specify his status. If an Applicant is not a UK or EU-regulated person or institution, he should contact the Receiving Agent.

4. Representations and warranties

4.1 By completing a Subscription Form, each Investor and, if you sign the Subscription Form on behalf of another person or a corporation, that person or corporation, is deemed to represent and warrant to the Company that.

4.1.1 it will offer to subscribe for the number of New Ordinary Shares specified in your Subscription Form (or such lesser number for which your Application is accepted) on the terms of and subject to this document (and any supplementary prospectus published by the Company), including these terms and conditions, and subject to the Articles;

4.1.2 in consideration of the Company agreeing to process your Application, your Application cannot be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand during normal business hours only) on receipt by, the Receiving Agent of your Subscription Form;

4.1.3 your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the New Ordinary Shares until you make payment in cleared funds for the New Ordinary Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent, 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 you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such New Ordinary Shares and may issue or allot such New Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such New Ordinary Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;

4.1.4 (i) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations and (ii) monies pending allocation will be retained in a separate account and that such monies will not bear interest;

4.1.5 you undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;

4.1.6 in respect of those New Ordinary Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the London Stock Exchange of the basis of

allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;

- 4.1.7 you authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in respect of such New Ordinary Shares and to send a crossed cheque for any monies returnable by post without interest, at the risk of the persons entitled thereto, to the address of the person (or in the case of joint holders the first-named person) named as an Applicant in the Subscription Form;
- 4.1.8 you 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 (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 Receiving Agent, or any of their affiliates or any other person;
- 4.1.9 if you sign the Subscription 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 or corporation, and such person or corporation will also be bound accordingly and will be deemed to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney, or a copy thereof duly certified by a solicitor or bank, with the Subscription Form;
- 4.1.10 all Applications, acceptances of Applications and contracts resulting from such acceptances shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding 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;
- 4.1.11 in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in this document and any supplementary prospectus and, accordingly, you agree that no person (responsible solely or jointly for this document or any part thereof or involved in the preparation thereof) shall have any liability for any such information or representation;
- 4.1.12 your Application is made solely on the terms of this document (and any supplementary prospectus published by the Company) and subject to the Articles;
- 4.1.13 you irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any New Ordinary Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such New Ordinary Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- 4.1.14 having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations concerning the Company and the New Ordinary Shares contained therein;
- 4.1.15 you have reviewed the restrictions contained in these terms and conditions;
- 4.1.16 if you are an individual, you are not under the age of 18;
- 4.1.17 all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- 4.1.18 in connection with your Application you have observed the laws of all relevant 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 Peel Hunt or any person responsible solely or jointly for

the prospectus or any part of it or involved in the preparation thereof acting in breach of the regulatory or legal requirements of any territory (including in particular FSMA) in connection with the Offer for Subscription or your Application;

- 4.1.19 save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, you are not a resident of Australia, New Zealand, Canada, the Republic of South Africa, Japan or the United States;
- 4.1.20 on request by the Company or the Receiving Agent on behalf of the Company, to disclose promptly in writing to the Company or the Receiving Agent any information which the Company or the Receiving Agent may reasonably request in connection with your Application, and authorise the Company or the Receiving Agent on behalf of the Company to disclose any information relating to your Application as it considers appropriate;
- 4.1.21 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Ordinary Shares under the Offer for Subscription, 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 Investment Manager, the Asset Manager, Peel Hunt, the Receiving 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 Offer for Subscription;
- 4.1.22 it acknowledges 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 (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 Investment Manager, the Asset Manager or Peel Hunt;
- 4.1.23 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);
- 4.1.24 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Offer for Subscription constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Ordinary Shares pursuant to the Offer for Subscription 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 Ordinary 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;
- 4.1.25 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.1.26 it has complied and will comply with all applicable provisions of the Criminal Justice Act 1993 and the Market Abuse Regulation with respect to anything done by it in relation to the Placing and/or the New Ordinary Shares;
- 4.1.27 it accepts that if the Offer for Subscription does not proceed or the conditions to the Placing Agreement are not satisfied or the New Ordinary Shares for which valid applications are received and accepted are not admitted to listing and/or trading on the premium segment of the Official List for any reason whatsoever then neither Peel Hunt, 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;

- 4.1.28 it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar and/or the Administrator may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website www.regionalreit.com (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:
- 4.1.28.1 process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the Investor’s holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on the Investor;
 - 4.1.28.2 communicate with the Investor as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - 4.1.28.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - 4.1.28.4 process the personal data for the Registrar’s and/or the Administrator’s internal administration;
- 4.1.29 represents and warrants to the Registrar and the Administrator that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company’s Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in paragraph 4.1.28);
- 4.1.30 by submitting personal data to the Registrar and/or the Administrator (acting for and on behalf of the Company) where the Investor is a natural person he or she has read and understood the terms of the Company’s Privacy Notice;
- 4.1.31 by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Investor is not a natural person it represents and warrants that:
- 4.1.31.1 it has brought the Company’s Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Investor may act or whose personal data will be disclosed to the Company as a result of the Investor agreeing to subscribe for Ordinary Shares; and
 - 4.1.31.2 the Investor has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company;
- 4.1.32 where the Investor acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Open Offer:
- 4.1.32.1 comply with all applicable data protection legislation;

- 4.1.32.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
 - 4.1.32.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 4.1.32.4 immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect loss and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Shareholder to comply with the provisions set out above;
- 4.1.33 Peel Hunt 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;
 - 4.1.34 Peel Hunt and the Receiving Agent are 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 customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the New Ordinary Shares or concerning the suitability of the New Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
 - 4.1.35 the information contained in the Subscription Form is true and accurate;
 - 4.1.36 if it requests that New Ordinary Shares are issued to you on a date other than Admission and such New Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such New Ordinary Shares on a different date;
 - 4.1.37 it acknowledges that the key information document prepared by the Investment Manager pursuant to the PRIIPs Regulation can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of a Subscription Form represents your consent to being provided the key information document via the Company's website (www.regionalreit.com) or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which the key information document will be provided to you;
 - 4.1.38 acknowledge that the content of this document is exclusively the responsibility of the Company and its Directors and neither Peel Hunt nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information published by or on behalf of the Company and will not be liable for any decision to participate in the Offer for Subscription based on any information, representation or statement contained in this document or otherwise;
 - 4.1.39 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Peel Hunt 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 for the New Ordinary Shares are no longer accurate, it shall promptly notify Peel Hunt and the Company;
 - 4.1.40 it irrevocably authorises the Company, or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect

registration of any of the New Ordinary Shares subscribed for by or issued to you in your name and authorise any representatives of the Company and/or Receiving Agent to execute any documents required thereby and to enter your name on the register of members of the Company; and

- 4.1.41 you are not subscribing for the New Ordinary Shares having a loan which would not have been given to you or any associate, or not given to you on such favourable terms, if you had not been proposing to subscribe for the New Ordinary Shares.
- 4.2 If you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Capital Raising, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statements therein not misleading.
- 4.3 No person receiving a copy of this document or supplementary prospectus issued by the Company and/or a Subscription Form in any territory other than the UK, Jersey, Guernsey or the Isle of Man may treat the same as constituting an invitation or an offer to him; nor should he in any event use a Subscription Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Subscription Form could lawfully be used without contravention of any, or compliance with, any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for New Ordinary Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such Application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.
- 4.4 The New Ordinary Shares have not been and will not be registered under the US Securities Act or any relevant securities laws of any state or other jurisdiction of the United States and may not be offered, sold, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States absent applicable exemption from registration under federal and state securities laws. The New Ordinary Shares are being offered or sold only (i) outside the United States in offshore transactions, in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder and (ii) in the United States as part of the Placing to persons reasonably believed to be "qualified institutional buyers" as defined in Rule 144A under the US Securities Act. Offer for Subscription Application Forms postmarked in the United States, or otherwise despatched from the United States will not be accepted. No investment decision with respect to acquisition of the New Ordinary Shares should be made from within the United States. Subject to certain exceptions, no Application will be accepted if it bears an address in Australia, New Zealand, Canada, the Republic of South Africa, or Japan unless an appropriate exemption is available as referred to above.
- 4.5 No offering of New Ordinary Shares is being made in the United States under the Offer for Subscription and neither this document nor the Subscription Form constitutes or will constitute an offer or an invitation to apply for, or an offer or an invitation to acquire or subscribe for, any New Ordinary Shares under the Offer for Subscription in the United States. The Subscription Forms will not be sent to any Shareholder with a registered address in the United States.
- 4.6 The Company reserves the right, with the consent of Peel Hunt, to treat as invalid any Subscription Form: (i) that appears to the Company or its agents to have been executed in or despatched from the United States; or (ii) where the Company believes acceptance of such Subscription Form may infringe applicable legal or regulatory requirements, and the Company shall not be bound to issue any New Ordinary Shares in respect of any such Subscription Form.
- 4.7 The basis of allocation will be determined by Peel Hunt (following consultation with the Company, the Investment Manager and the Asset Manager), in its absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof.

The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Subscription Form, including if the accompanying cheque or banker's draft is for the wrong amount.

5. United States purchase and transfer restrictions

- 5.1 Each subscriber of New Ordinary Shares in the Offer for Subscription and each subsequent investor in the Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:
- 5.1.1 it is located outside the United States, it is acquiring the shares in an "offshore transaction" (within the meaning of Regulation S), it is not acquiring the New Ordinary Shares for the benefit of a person in the United States and it will not offer, sell or deliver, directly or indirectly, any New Ordinary Shares in or into the United States, and if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of New Ordinary Shares or any beneficial interest therein, it will do so only (i) in an "offshore transaction" (within the meaning of Regulation S) to a person outside the United States not known by the transferor to be a US Person, (ii) to the Company, (iii) in a transaction pursuant to Rule 144A under the US Securities Act or (iv) pursuant to an effective registration statement under the US Securities Act;
 - 5.1.2 it acknowledges that the New Ordinary Shares are acquired in an "offshore transaction" as defined in, and pursuant to regulations under the US Securities Act or otherwise in a transaction exempt from the registration requirements under the US Securities Act;
 - 5.1.3 it has not become aware of the Open Offer, the Placing, the Offer for Subscription or the Intermediaries Offer by any means of "directed selling efforts", as that term is used under Regulation S;
 - 5.1.4 no portion of the assets used to purchase, and no portion of the assets used to hold, the New Ordinary 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; (ii) a "plan" as defined in Section 4975 of the US Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Code; or (iii) 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 US Code. 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 Code, its purchase, holding, and disposition of the New Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
 - 5.1.5 it is purchasing the New Ordinary 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 Ordinary Shares in any manner that would violate the US Securities Act or any other applicable securities laws;
 - 5.1.6 it acknowledges and understands that the Company is required to comply with FATCA and CRS 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 and CRS;
 - 5.1.7 it is entitled to acquire the New Ordinary 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 Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Asset Manager, the Investment Manager, Peel Hunt or their respective directors, officers, agents, employees and advisers being in breach of the laws of any

jurisdiction in connection with the Capital Raising or its acceptance of participation in the Offer for Subscription;

- 5.1.8 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the New Ordinary Shares within the United States nor will it do any of the foregoing;
- 5.1.9 if it is acquiring any New Ordinary Shares as a fiduciary or agent for one or more accounts, the investor 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; and
- 5.1.10 the Company, the AIFM, the Asset Manager, the Investment Manager, Peel Hunt, the Administrator 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.

6. Tax Residency Self-Certification

In addition to completing and returning the Subscription Form to the Receiving Agent, you will also need to complete and return a Tax Residency Self Certification Form. The “tax residency self-certification” form can be found at the end of this document and further copies of this form and the relevant form for joint holdings or Corporate Entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

It is a condition of application that (where applicable) a completed version of that form is provided with the Subscription Form before any application can be accepted.

APPENDIX D

SUBSCRIPTION FORM FOR THE OFFER FOR SUBSCRIPTION

Important: before completing this form, you should read the accompanying notes.

To: Link Asset Services, Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

1. Application

I/We the person(s) detailed in section 3 below offer to subscribe for the number of New Ordinary Shares shown in Box 1 subject to the Terms and Conditions set out in Appendix C of the prospectus issued by Regional REIT Limited dated 24 June 2019 and subject to the Memorandum and Articles of Incorporation of the Company. I/We are not located in the United States.

Box 1 (minimum subscription of 1,000 New Ordinary Shares and then in multiples of 100 New Ordinary Shares thereafter

2. Amount payable

Box 2 (the number in Box 1 multiplied by the Issue Price, being 106.5 pence per New Ordinary Share).

Payment Method:
(tick appropriate box)

Cheque

CREST Settlement via DVP

3. Details of Holder(s) in whose name(s) New Ordinary Shares will be issued (BLOCK CAPITALS)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Date of Birth

Address (in full)

Designation (if any)

Telephone number

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Date of Birth

Address (in full)

Designation (if any)

Telephone number

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Date of Birth

Address (in full)

Designation (if any)

Telephone number

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Date of Birth

Address (in full)

Designation (if any)

Telephone number

4. CREST details

(Only complete this section if New Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 3).

CREST Participant ID

CREST Member Account ID

5. Signature(s) all holders must sign

Execution by individuals:

First Applicant Signature		Date	
Second Applicant Signature		Date	
Third Applicant Signature		Date	
Fourth Applicant Signature		Date	

Execution by a company:

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

6. Settlement details

(a) **Cheque/Banker's Draft**

If you are subscribing for Ordinary Shares and paying by cheque or banker's draft pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 2 made payable to "Link Market Services Limited Re: Regional REIT Limited – OFS A/C". Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man and must bear the appropriate sort code in the top right hand corner.

(b) **CREST Settlement**

If you so choose to settle your application within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of New Ordinary Shares to be made against payment of the Issue Price, following the CREST matching criteria set out below:

Trade date: 19 July 2019

Settlement date: 23 July 2019

Company: Regional REIT Limited

Security description: Ordinary Shares of no par value

SEDOL: BYV2ZQ3

ISIN: GG00BYV2ZQ34

Should you wish to settle DVP, you will need to input your instructions to Link Asset Services' Participant account RA06 by no later than 1.00 p.m. on 18 July 2019.

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.

Applicants wishing to settle DVP will still need to complete and submit a valid Subscription Form to be received by no later than 1.00 p.m. on 18 July 2019. You should tick the relevant box in section 2.

Applicants will also need to ensure that their settlement instructions have been input to Link Asset Services' Participant account (RA06) by no later than 1.00 p.m. on 18 July 2019. Note: Link Asset Services' will not take any action until a valid DEL message has been received by the Participant account from the applicant.

No acknowledgement of receipt or input will be provided.

Applicants should also ensure that their settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to their usual daily trading and settlement requirements.

In the event of late/non settlement the Company reserves the right to deliver shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Capital Raising have been satisfied.

7. Anti-money Laundering

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link Asset Services itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whilst Link Asset Services may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the Sterling equivalent of €15,000 (currently approximately £13,000).

Link Asset Services will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an ‘enquiry footprint’ – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-Money Laundering Checks appear as an enquiry/soft search on the investors credit report. The report may contain a note saying “Identity Check to comply with Anti Money Laundering Regulations”.

8. Contact details

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. Ordinarily this contact person should be the (or one of the) person(s) signing in section 5 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact Name	E-mail address
Address	
Telephone No	Fax No

NOTES ON HOW TO COMPLETE THE SUBSCRIPTION FORM

Applications should be returned so as to be received by Link Asset Services no later than 1.00 p.m. on 18 July 2019.

In addition to completing and returning the Subscription Form to Link Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The "individual tax residency self-certification – sole holding" form can be found at the end of this document. Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. **It is a condition of application that (where applicable) a completed version of the Tax Residency Self Certification Form is provided with the Application Form before any application can be accepted and processed.**

HELPLINE: If you have a query concerning the completion of this Subscription Form, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

1. Application

Fill in (in figures) in Box 1 the number of New Ordinary Shares being subscribed for. The number being subscribed for must be a minimum of 1,000 New Ordinary Shares and then in multiples of 100 New Ordinary Shares thereafter.

2. Amount payable

Fill in (in figures) the total amount payable for the New Ordinary Shares for which your application is made which is the number inserted in Box 1 of the Offer for Subscription Application Form, multiplied by the Issue Price, being 106.5 pence per New Ordinary Share. You should also mark in the relevant box to confirm your payment method, i.e. cheque, banker's draft or settlement via CREST (DVP).

3. Holder details

Fill in (in block capitals) the full name(s) of each holder and date of birth and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Subscription Form in section 5.

4. CREST

If you wish your New Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 3, enter in section 4 the details of that CREST account. Where it is requested that New Ordinary Shares be deposited into a CREST account please note that payment for such New Ordinary Shares must be made prior to the day such New Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that New Ordinary Shares be deposited in their CREST account on an against payment basis. Any Subscription Form received containing such a request will be rejected.

5. Signature

All holders named in section 3 must sign section 5 and insert the date and the date of birth of each holder. The Subscription Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Offer for Subscription Application Form.

6. Settlement details

(a) *Cheque/Banker's draft*

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in Box 2 of the Subscription Form. Your cheque or banker's draft must be made payable to "**Link Market Services Limited Re: Regional REIT Limited – OFS A/C**" in respect of an Application and crossed "**A/C Payee Only**". Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker's drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's 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.

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 inserted on the back of the cheque the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity.

(b) **CREST settlement**

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

The Subscription Form contains details of the information which the Company’s Receiving Agent, Link Asset Services, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Link Asset Services to match to your CREST account, Link Asset Services will deliver your New Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your New Ordinary Shares in certificated form should the Company, having consulted with Link Asset Services, 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 Link Asset Services in connection with CREST.

The person named for registration purposes in your Subscription Form must be: (a) the person procured by you to subscribe for or acquire the New Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Link Asset Services 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. You will need to input the delivery versus payment (“**DVP**”) instructions into the CREST system in accordance with your application. The input returned by Link Asset Services of a matching or acceptance instruction to our CREST input will then allow the delivery of your New Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your Subscription 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 Ordinary Shares to be made prior to 1.00 p.m. on 18 July 2019 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by Link Asset Services.

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: 19 July 2019

Settlement Date: 23 July 2019

Company: Regional REIT Limited

Security Description: Ordinary shares of no par value

SEDOL: BYV2ZQ3

ISIN: GG00BYV2ZQ34

Should you wish to settle DVP, you will need to input your instructions to Link Asset Services Participant account RA06 by no later than 1.00 p.m. on 18 July 2019.

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.

Applicants wishing to settle DVP will still need to complete and submit a valid Subscription Form to be received by no later than 1.00 p.m. on 18 July 2019. You should tick the relevant box in section 2.

Applicants will also need to ensure that their settlement instructions have been input to Link Asset Services Participant account (RA06) by no later than 1.00 p.m. on 18 July 2019. Note: Link Asset Services will not take any action until a valid DEL message has been received by the Participant account from the applicant.

No acknowledgement of receipt or input will be provided.

Applicants should also ensure that their settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to their usual daily trading and settlement requirements.

In the event of late/non settlement the company reserves the right to deliver shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the company and all other conditions of the Capital Raising have been satisfied.

In the event of late CREST settlement, the Company, after having consulted with Link Asset Services, reserves the right to deliver New 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 Capital Raising have been satisfied.

7. Anti-money Laundering

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link Asset Services itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whist Link Asset Services may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the Sterling equivalent of €15,000 (currently approximately £13,000).

Link Asset Services will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an 'enquiry footprint' – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-Money Laundering Checks appear as an enquiry/soft search on the investors credit report. The report may contain a note saying "Identity Check to comply with Anti Money Laundering Regulations".

8. For each holder being an individual enclose:

- 8.1 a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: current passport, government or Armed Forces identity card, or driving licence; and
- 8.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 3 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council rates bill or similar document issued by a recognised authority; and
- 8.3 if none of the above documents show the Applicant's date and place of birth, enclose a note of such information; and
- 8.4 details of the name and address of the Applicant's personal bankers from which the Company (or any of its agents) may request a reference, if necessary.

9. For each holder being a company (a "holder company") enclose:

- 9.1 a certified copy of the certificate of incorporation of the holder company; and
- 9.2 the name and address of the holder company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- 9.3 a statement as to the nature of the holder company's business, signed by a director; and
- 9.4 a list of the names and residential addresses of each director of the holder company; and
- 9.5 for each director provide documents and information similar to that mentioned in 8 above; and
- 9.6 a copy of the authorised signatory list for the holder company; and
- 9.7 a list of the names and residential/registered address of each ultimate beneficial owner interested in more than three per cent. of the issued share capital of the holder company and, where a person is named, also complete 10 below and, if another company is named (hereinafter a "**beneficiary company**"), also complete 11 below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

10. For each person named in 9.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 9.1 to 9.4.

11. For each beneficiary company named in 9.7 as a beneficial owner of a holder company enclose:

- 11.1 a certified copy of the certificate of incorporation of that beneficiary company; and
- 11.2 statement as to the nature of that beneficiary company's business signed by a director; and
- 11.3 the name and address of that beneficiary company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- 11.4 enclose a list of the names and residential/registered address of each beneficial owner owning more than five per cent. of the issued share capital of that beneficiary company.

The Company (or any of its agents) reserves the right to ask for additional documents and information.

12. Contact details

To ensure the efficient and timely processing of your Subscription Form, please provide contact details of a person the Company (or any of its agents) may contact with all enquiries concerning your Application. Ordinarily this contact person should be the person signing in section 5 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

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TAX RESIDENCY SELF-CERTIFICATION FORM

Name of Company in which shares are held:	REGIONAL REIT LIMITED
Part 1 – Identification of Individual Shareholder <i>A separate form is required for each holder</i>	
Name of Holder:	
Address of Holder:	
A. Please provide your Tax Residence Address – If different from above	
Address: <i>Include your Postal or ZIP Code & Country:</i>	
B. Date of Birth (DD/MM/YY)	
Part 2 – Country/Countries of Residence for Tax Purposes	
Country of residence for tax purposes	Tax Identification Number <i>In the UK this would be your NI number</i>
1	1
2	2
3	3
4	4
Part 2b – US Person <i>Please mark the box ONLY if you are a US Person (see Definitions)</i> <input type="checkbox"/>	
Part 3 – Declarations and Signature	
<p>I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.</p> <p>I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.</p> <p>I certify that I am the shareholder (or am authorised to sign for the shareholder).</p> <p>If this relates to a joint holding: I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.</p>	
Signature:	
Print Name:	
Date:	
Daytime telephone number/email address	

If signing under a power of attorney, please also attach a certified copy of the power of attorney. We will only contact you if there is a question around the completion of the self-certification form.

Introduction

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including their tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your address (or name) has changed from that shown on the form, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

Joint Holders (if relevant)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for that/those joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

Definitions

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**The Common Reporting Standard**") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/contains-definitions-for-the-terms-used-within-it>. However, the following definitions are for general guidance only to help you in completing this form.

"Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Capita holds the shares on your behalf, the person whose name appears on the register of entitlement that Capita maintains.

"Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a tax identification number (TIN). Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

“Tax Identification Number or TIN”

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

“US Person”

All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.

You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

You are a ‘tax resident’ of the United States. You can become a tax resident under two rules: 1) The ‘substantial presence test’. This is a ‘day count test and based on the number of days you are in the US over a three year period and 2) the ‘green card’ test. A person who has obtained a ‘green card’ has been granted the right to lawful permanent residence in the United States.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.

NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

