

Valuation of:

Cinch Self Storage - Haverhill &  
Newbury

Prepared for

Padlock Capital Partners Fund IV

Valuation Date:

23 March 2023

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Strictly Confidential – For Addressee Only

## VALUATION RECORD

**To:**

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(the “**Client**”, “**Addressee**” or “**you**”)

**Attention:** Richard Owen

**Properties:** The address, tenure and property type of each of the properties (each a “**Property**” and collectively the “**Properties**”) is included in the Property Schedule and Property Records.

**Report date:** 23 March 2023

**Valuation date:** 23 March 2023 (“**Valuation Date**”)

**Our reference:** 232LJG00

## Instructions

### Appointment

We are pleased to submit our report and valuation (the “**Valuation Report**”), which has been prepared in accordance with the engagement letter and terms set out therein dated 10 March 2023, together with the Valuation Services Schedule and our Terms of Business (the “**Engagement**”). The Engagement forms an integral part of this Valuation Report, and a copy can be found at the back of this document.

Included in the Engagement Letter is the Valuation Services Schedule. 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 (which forms part of the Engagement). Where Assumptions detailed in the Valuation Services Schedule are also referred to within this Valuation Report they are referred to as an “assumption” or “assumptions”. Unless otherwise defined, all capitalised terms herein shall be as defined in the Engagement.

### Compliance with RICS Valuation – Global Standards

We confirm that the valuation and Valuation Report have been prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards (“**IVS**”) and the RICS UK national supplement (the “**RICS Red Book**”), edition current at the Valuation Date. It follows that the valuations are compliant with IVS.

### Status of Valuer and Conflicts of Interest

We confirm that all valuers who have contributed to the valuation have complied with the requirements of PS1 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. The Valuation is the responsibility of Philip Macauley MRICS, who is a member of the RICS Valuer Registration Scheme and is in a position to provide an objective and unbiased Valuation, and who

will act as "**External Valuer**" (as defined in the RICS Red Book) qualified for the Purpose of Valuation.

C&W has had no previous, recent or current involvement with the Properties and C&W does not anticipate any future fee earning relationship with the Properties. Therefore, C&W does not consider that any conflict arises in preparing the Valuation requested.

### Purpose of Valuation

The purpose of this Valuation Report is for financial reporting purposes ("**Purpose of Valuation**").

### Basis of Valuation

In accordance with your instructions, we have undertaken our valuation on the following bases:

1. Market Value

### Definitions

#### 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"*

### Valuation of Trade Related Properties

Certain property types are normally bought and sold based on their trading potential as they have usually been designed or adapted and fitted out for a specific use and the resulting lack of flexibility usually means that the value of the property interest is intrinsically linked to the returns that the owner can generate from that use.

As a result, our opinion of value of the Properties has been assessed having regard to its trading potential based on an income approach to value unless there is a clear alternative use, unless otherwise stated our opinion of value assume the Properties are fully equipped operational entities and include:

- The legal interest in the land and buildings.
- The trade inventory, usually comprising all trade fixtures, fittings, furnishings and equipment.
- The markets perception of the trading potential, together with an assumed ability to obtain and renew existing licences, consents, certificates and permits.

For the avoidance of doubt our opinions of value do not include consumables and stock.

### Special Assumptions

A Special Assumption is referred to in the Glossary in the RICS Red Book as 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" ("**Special Assumption**").

We have made no Special Assumptions.

### Departures

We have made no Departures from the RICS Red Book.

## Limitations

The valuation is not subject to any limitations.

## Inspection

Details of our inspections of the Properties are included in the Property Records.

## Measurement

Self Storage      GIA

## Sustainability and ESG

Sustainability is an increasingly important factor in the UK real estate market. The UK has committed to net zero carbon by 2050, with legislation already in place to reduce CO2 emissions from buildings. We consider it likely that further legislation and regulations will be introduced in coming years. Alongside this, occupiers and investors in some sectors are becoming more particular in the sustainability aspects of the buildings they choose to occupy or purchase.

The existence of a green premium for the more sustainable buildings is a matter of ongoing market monitoring, investigation and debate. Appropriate levels of market evidence have yet to be established to demonstrate fully whether additional value can be ascribed to such buildings.

However, it should be noted that the market is evolving due to the focus from both occupiers and investors on a property's sustainability credentials. We expect that awareness of sustainability matters will increase throughout all sectors of the property market.

## Sources of Information

In addition to information established by us, we have relied on the information obtained from you and others listed in this Valuation Report.

We have made the assumption that the information provided by you and your respective 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.

We confirm that the valuation has been undertaken bringing the required levels of independence and objectivity to bear on the instruction, applying professional scepticism to information and data where it is provided and relied on as evidence.

## General Comment

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or Special Assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of value would exactly coincide with the price achieved were there an actual sale at the Valuation Date.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation were to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you contemplate a sale, we strongly recommend that the Properties are given proper exposure to the market.

A copy of this Valuation Report should be provided to your solicitors and they should be asked to inform us if they are aware of any aspect which is different, or in addition, to that we have set out;

in which case we will be pleased to reconsider our opinion of value in the light of their advice and / or opinions.

### Market Conditions

The UK and other countries continue to experience heightened uncertainty due to a number of factors.

Inflationary pressures continue to weigh on the economy and whilst having peaked still remains at high levels which having a very material effect on higher costs of living expenses. Base rates have increase rapidly to combat the inflationary conditions and the expectation is for further rises still to come.

The cost of debt has risen and its availability reduced which together with the outward movement in gilt yields from historically low levels has weighed on investor sentiment and had an adverse impact on property values. Confidence in the banking sector is fragile as seen in the recent actions around a handful of banks but most particularly Credit Suisse and this is likely to result in the further tightening of debt available to investors.

Whilst the UK is now expected to escape a recession, despite this having been widely predicted, it is clear that economic conditions remain challenging in the short to medium term.

In recognition of the potential for market conditions to move rapidly in response to wider political and economic changes, we highlight the importance of the Valuation Date as it is important to understand the market context under which the valuation opinion was prepared. At this point we anticipate longer marketing periods being required to elicit bids.

### Valuation

Our opinion of the aggregate Market Value of each of the various property interests in the portfolio, as at the Valuation Date, subject to the Assumptions and comments in this Valuation Report is:

| Property                                                           | Market Value                                                |
|--------------------------------------------------------------------|-------------------------------------------------------------|
| Former car showroom, Duddery Hill, £3,570,000<br>Haverhill CB9 8DR | (Three Million Five Hundred and Seventy<br>Thousand Pounds) |
| Newspaper House, Faraday Road, £9,260,000<br>Newbury RG14 2DW      | (Nine Million Two Hundred and Sixty<br>Thousand Pounds)     |

### Lotting

In arriving at our opinion of Market Value 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.

### Confidentiality

This Valuation Report is confidential to you, for your sole use only and for the Purpose of Valuation as stated. Other than as detailed below, we will not accept responsibility to any third party in respect of any part of its contents.

### Disclosure

C&W will not consent to publication or disclosure of the Valuation Report unless, where relevant, it incorporates adequate reference to the Special Assumptions and/or Departures from the RICS Red Book referred to in this Services Schedule.

Clause 8 of the Terms of Business states that the provision of the services is for the Client's benefit only. If C&W is subsequently asked to extend responsibility to other parties, then there will be an additional fee payable, to be agreed, to cover C&W's additional time costs, indemnity and insurance liabilities subject to a minimum of £500, plus VAT.

Notwithstanding the above, the Client is authorised to file the Valuation Report on the Canadian SEDAR and/or as part of the Canadian Securities Administration regime, in relation to any public security filing requirements arising from receipt of the Valuation Report, subject to such filing being made on a non-reliance basis to others without extending C&W's exposure to others beyond that set out within these Engagement terms.

## Reliance

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

- (i) you; and
- (ii) by such other parties who have signed a Reliance Letter.

No reliance may be placed upon this Valuation Report by any other party, or for any other purpose except in accordance with the Engagement.

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) 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.

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



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# PROPERTY RECORD

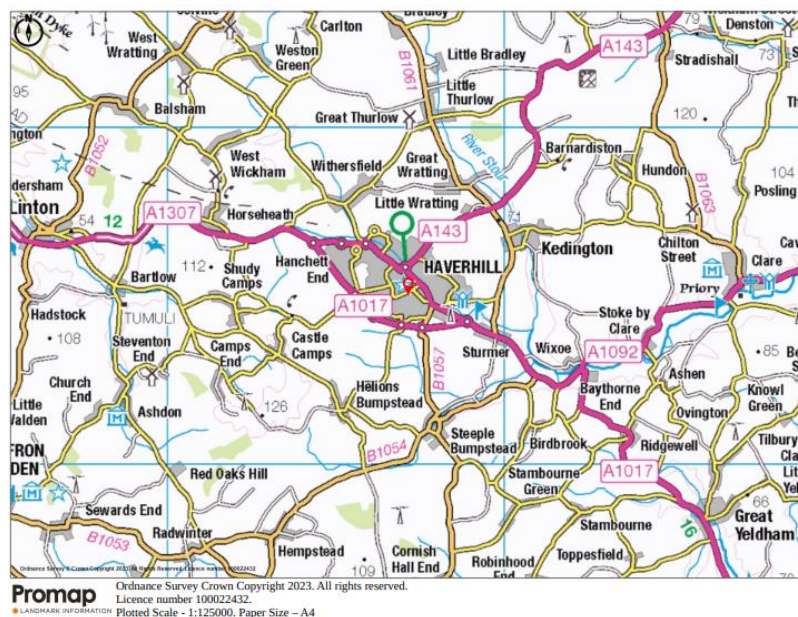
## Former Showroom, Workshop and Yard/Car Park at Duddery Hill, Haverhill, CB9 8DR

### 1. LOCATION AND DESCRIPTION

#### 1.1 Location

##### General

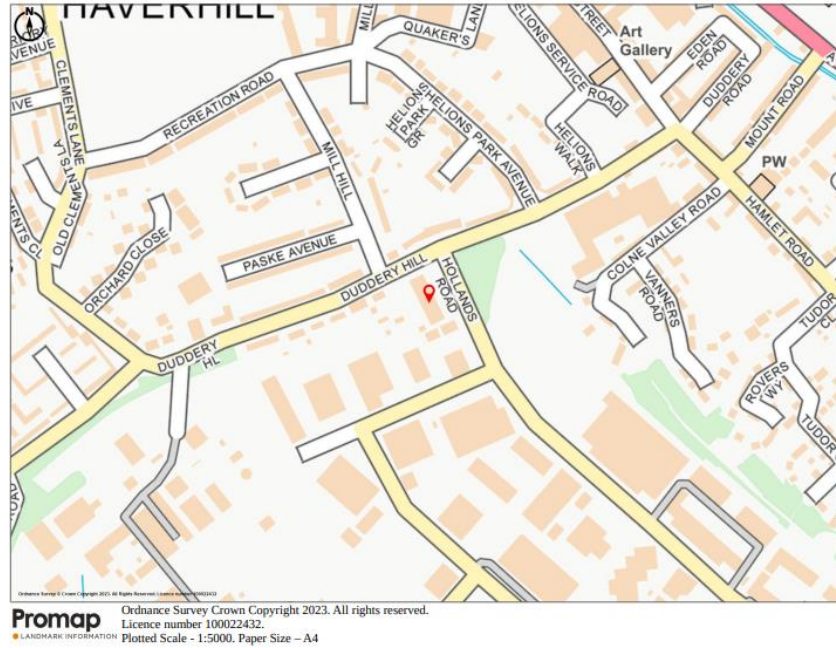
- Haverhill is a market town and civil parish located in west Suffolk, adjacent to the county borders of Essex and Cambridgeshire. It had a population of 27,041 as at the 2011 Census.
- The town is an industrial hub and is home to numerous manufacturing and science firms.
- Haverhill is situated 17.6 miles southeast of Cambridge, 30.8 miles north of Chelmsford and 65.4 miles north of London.



##### Situation

- The Property comprises a former Vauxhall car showroom on Duddery Hill, in walking distance of Haverhill town centre.
- The Property occupies a plot on the corner of Duddery Hill and Hollands Road and is accessed via paved driveways on both roads.
- Duddery Hill is a busy thoroughfare leading to the town centre and is predominantly comprised of residential accommodation. However, there are a handful of commercial occupiers, including a BP garage 0.2 miles to the west of the Property.
- The Property is in close proximity to the A1017, which provides access to Essex to the south, and the A143, which connects Haverhill to Great Yarmouth in Norfolk.

- The site enjoys roadside visibility.



## 1.2 Description

- The Property comprises a detached single-storey warehouse, of steel and brick construction with glazed fenestration. It was previously used as a car showroom.
- The Property benefits from approximately 20 parking spaces fronting Hollands Road, 18 fronting Duddery Hill. There are four loading doors, two on either side of the building.
- Access to the Property is afforded via dipped driveways from both Duddery Hill and Hollands Road.
- We understand that planning permission has been granted for a change of use from car sales (sui generis) to a new build self storage facility (B8).

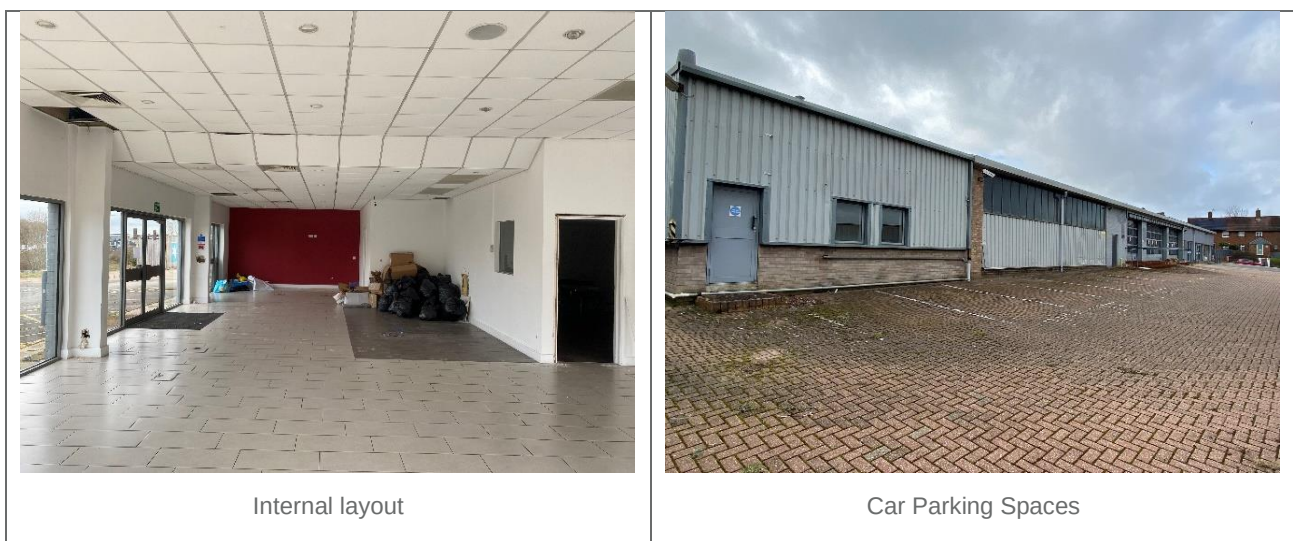
The new self storey facility will comprise an extension and refurbishment of the existing building.



Front Elevation



Rear Elevation



## 2. AREAS

Following development, we understand the building will provide the following floor areas:

| Area |                |
|------|----------------|
| MLA  | 45,500 sq. ft. |
| CLA  | 45,500 sq. ft. |

## 3. STRUCTURAL CONDITION AND REPAIR

We have not carried out a building or condition survey, nor have we been provided with one. During the course of our inspection, we noted the building appears to be nearing the end of its useful economic life in part and will benefit from refurbishment as part of the wider conversion to self storage.

have been satisfactorily maintained having regard to its age, use and condition.

We have assumed that the new facility will be constructed in such a way as to conform to relevant building regulations.

### Deleterious Materials

The age and style of construction of the Property are such that materials such as high alumina cement concrete, woodwool shuttering, calcium chloride or asbestos may have been used in its original construction or subsequent alteration. We would draw your attention to the Section headed General Assumptions.

## 4. SITE



### Site Area

The site is broadly rectangular and extends to approximately 1 acre.

### Boundary

The site boundary is broadly rectangular.

### Topography

The site slopes from west to east.

### Ground Conditions

We are not aware of any adverse ground conditions at the Property.

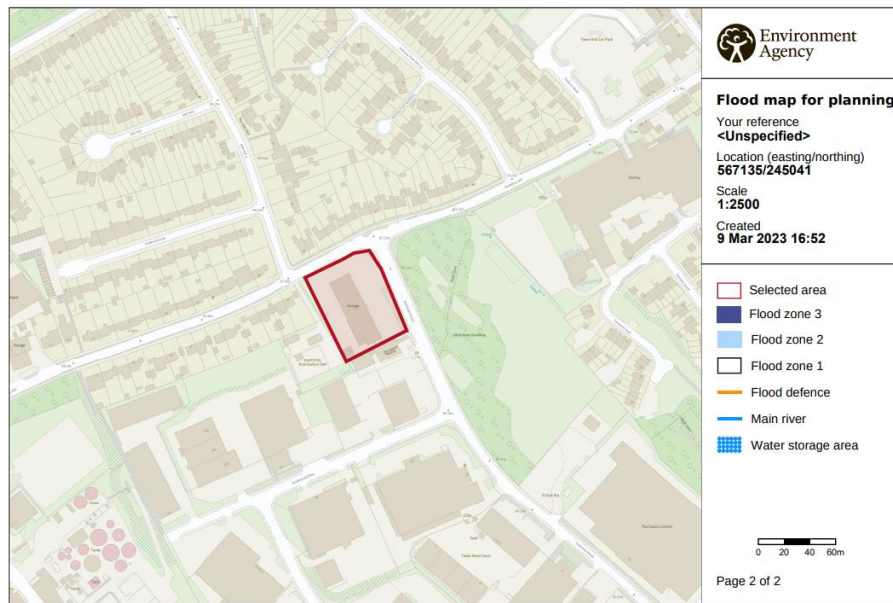
### Archaeology

We have made the assumption that the site has no archaeological significance.

### Flooding Risk

Plans reviewed by us on the Environment Agency (Flood Risk for Planning) website on 9 March 2023 indicate that the Property is not in or near to a natural sea or river floodplain. The Environment Agency plan is shown below with the approximate position of the Property highlighted.

The EA map indicates that the site is considered to have a Flood Zone 1 likelihood of flooding.



The Environment Agency map distinguishes between the different levels of flooding risk as follows:

-  **Flood Zone 3** - Land having a 1 in 100 or greater annual probability of river flooding; or Land having a 1 in 200 or greater annual probability of sea flooding. (Land shown in dark blue on the Flood Map)
-  **Flood Zone 3 - benefitting from flood defences**
-  **Flood Zone 2** - Land having between a 1 in 100 and 1 in 1,000 annual probability of river flooding; or land having between a 1 in 200 and 1 in 1,000 annual probability of sea flooding. (Land shown in light blue on the Flood Map)
-  **Flood Zone 1** - Land having a less than 1 in 1,000 annual probability of river or sea flooding. (Shown as 'clear' on the Flood Map – all land outside Zones 2 and 3)

Our valuation is on the basis that the Property is already insured on normal terms under a policy which includes cover against flooding.

### Current and Historic Land Use

The Property was previously used as a car showroom and workshop. We assume that no contaminants were used during the lifetime of this use.

## 5. ENVIRONMENTAL MATTERS

### 5.1 Environmental considerations

We have made the enquiries referred to in the terms of the Engagement.

#### Energy Performance Certificate

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 establish a minimum level of energy efficiency for privately rented property in England and Wales.

There are important matters that should be considered when reviewing an EPC, as follows:

- The quality of an EPC can vary significantly due to the historic limited regulation of assessors. This has improved significantly, however EPCs are valid for 10 years and therefore there are still a number of poor quality EPCs in the market. Furthermore, the age of an EPC is an important consideration because its accuracy will degrade over time. It is recommended that EPC's are reviewed regularly and at least every 5 years.
- The accuracy can also vary significantly due to the calculation methodology. Since their inception in 2008, there have been several changes to the way EPCs are calculated, including an update to Part L (Conservation of Fuel and Power) of the Building Regulations in 2011. That said, when there is a lack of information, an assessor will make default assumptions, usually based on the worst-case scenario this, in turn, can lead to an inaccurate default certificate.
- Where the Property's EPC rating falls within E, F or G, we would recommend that you ensure an 'Action Plan' is put in place by the Borrower. An 'Action Plan' would set out how the Borrower is going to ensure compliance with MEES regulations through an energy efficiency improvement programme. The process would highlight opportunities to implement works during void periods or lease breaks, or as part of the on-going maintenance and plant renewal programme. We recommend you monitor the implementation of this Plan over the period of the loan.
- We are not able to comment on the quality or accuracy of a specific EPC and we would advise undertaking your own quality assurance measures. We are not qualified to make an assessment of costs associated with improving non-compliant properties.

Energy Performance Certificates (EPCs) must be produced for all properties before being marketed for sale or lease.

### Impact on the Property

The Property has an EPC rating of 113-E. The expiry date is 14<sup>th</sup> September 2030.

The Property in its current form does not meet the requirements of the updated MEES regulations. Following the proposed works being undertaken we anticipate that the updated EPC assessment following practical completion which will show the EPC requirements of the MEES regulations having been met.

## 6. STATUTORY MATTERS

We have made the enquiries referred to in the terms of the Engagement.

### Town Planning

| Overview                  |                                       |
|---------------------------|---------------------------------------|
| Local authority:          | West Suffolk Council                  |
| Current planning use:     | B8 Self Storage                       |
| Listed Building status:   | Not listed                            |
| Conservation Area:        | No                                    |
| Outstanding applications: | None to our knowledge                 |
| Local Plan:               | West Suffolk Local Plan; adopted 2010 |

## Planning History

| Date       | Ref No.        | Status  | Details                                                                                                                                                                                 |
|------------|----------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 04/10/2022 | DC/22/1719/FUL | Granted | Planning application - change of use from car sales (sui generis) to self storage (B8); extensions and alterations to existing building; b. vehicular and cycle parking and landscaping |

## Other Statutory Matters

- We are not aware of any road scheme or compulsory purchase order that could affect the Property.

## Equality Act 2010

- We have not carried out a Disabled Discrimination Access Audit (DDA Audit) to determine the extent of any non-compliance of the Property in relation to the requirements of Part 3 of the Disability Discrimination Act 2005 as encompassed in the Equality Act 2010. It is a requirement of this legislation that disabled people are provided with similar access as able bodied people to a place of employment, place of education or provider of services. It is the responsibility of the Property owner/occupier to ensure that disabled persons are given such access where reasonably practicable. Any adjustments required to the Property must be deemed to be "reasonable" in terms of the legislation. The extent of any non-compliance is assessed by suitably qualified individuals carrying out a DDA Audit of the Property, which is out with the scope of this valuation.
- We have made the assumption that the new self storage facility will comply with the Disability Discrimination Act 2005 as encompassed in the Equality Act 2010.

## 7. TAXATION

| Hereditament                                             | Description                          | Rateable Value<br>(1 April 2017) | Rateable Value<br>(1 April 2023) |
|----------------------------------------------------------|--------------------------------------|----------------------------------|----------------------------------|
| Burton Garage, Duddery Hill, Haverhill, Suffolk, CB9 8DR | Vehicle repair workshop and premises | £30,750                          | £33,250                          |

Upon practical completion, the new facility will require reassessment.

### Business Rates Fiscal Year 2022/2023

|                                       |                                                                                    |
|---------------------------------------|------------------------------------------------------------------------------------|
| <b>Non-Domestic Rating Multiplier</b> | 51.2 pence. There is a surcharge for the City of London of 0.8 pence in the pound. |
|---------------------------------------|------------------------------------------------------------------------------------|

|                                                                                       |                                                          |
|---------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>Businesses in London with assessments greater than a Rateable Value of £70,000</b> | Liable to pay a Cross Rail Levy of 2 pence in the pound. |
|---------------------------------------------------------------------------------------|----------------------------------------------------------|

The Government introduced a new three-year transitional rate relief scheme to phase in the new 2023 Rateable Values. We understand that bills can change capped at the following levels:

|                                          | 2023 to 2024 | 2024 to 2025       | 2025 to 2026       |
|------------------------------------------|--------------|--------------------|--------------------|
| <b>Up to £20,000 (£28,000 in London)</b> | 5%           | 10% plus inflation | 25% plus inflation |

|                                         |     |                    |                    |
|-----------------------------------------|-----|--------------------|--------------------|
| £20,001 (£28,001 in London) to £100,000 | 15% | 25% plus inflation | 40% plus inflation |
| Over £100,000                           | 30% | 40% plus inflation | 55% plus inflation |

#### Value Added Tax

It is not known if the Property is elected for VAT purposes. Our valuations are net of any VAT that might be applicable at the prevailing rate.

#### Capital Allowances

There may be capital allowances available to a purchaser of the Property. We have not considered the benefits of these in our valuations. Should these be available, this may assist the marketing of the Property.

## 8. TENURE

| Title Overview                                                                                      |                                                                                                    |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Type of tenure:                                                                                     | Freehold                                                                                           |
| Title number:                                                                                       | SK360328                                                                                           |
| Source of Title information:                                                                        | We have not been provided with a Report on Title, so C&W have sourced this from the Land Registry. |
| Material encumbrances or unduly onerous / unusual easements, restrictions, outgoings or conditions: | None to our knowledge                                                                              |

## 9. OPINION OF VALUE

### 9.5 Market Value

Our opinion of the Market Value, of the freehold interest in the Property, as at the Valuation Date is:

**£3,570,000** (Three Million Five Hundred and Seventy Thousand Pounds)

### 9.6 Market Value Upon Stabilisation

Our opinion of the Market Value, of the freehold interest in the Property upon stabilisation, as at the Valuation Date is:

**£9,020,000** (Nine Million and Twenty Thousand Pounds)

## 10. SWOT ANALYSIS

| Strengths                                                                                                                                                                                                                                                                                                                                                                                                                                             | Weaknesses                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Located in close proximity to Haverhill town centre.</li><li>• Good road access.</li><li>• Excellent roadside visibility, benefitting from return frontage.</li><li>• Limited competition in Haverhill – there are no major operators and only a handful of smaller operators (mainly offering container storage) in the surrounding area.</li><li>• The Property will a new self storage facility.</li></ul> | <ul style="list-style-type: none"><li>• Haverhill currently has a population under 30,000 and therefore the short term customer base is slightly limited. That said, the Property has limited competition in Haverhill, so access to a large part of it's potential customers.</li></ul> |
| Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                         | Threats                                                                                                                                                                                                                                                                                  |
| <ul style="list-style-type: none"><li>• Strong self storage market.</li><li>• Provide a higher quality storage solution than is currently now available in the local market.</li></ul>                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"><li>• Ongoing economic uncertainties in the UK could adversely impact on fill-out of the store/rental rates in the short term.</li></ul>                                                                                                               |

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# PROPERTY RECORD

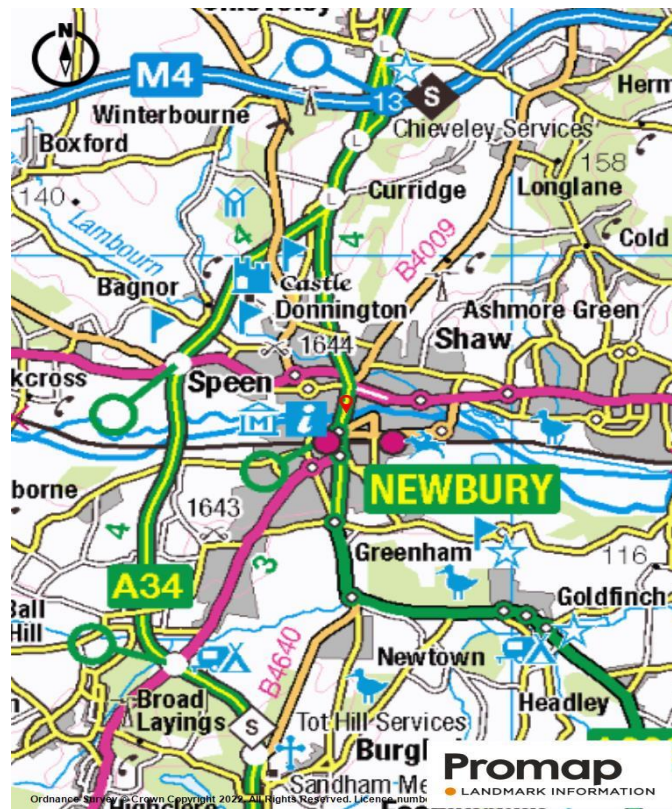
**Cinch Self Storage, Newspaper House, Faraday Road, Newbury RG14 2DW**

## 1. LOCATION AND DESCRIPTION

### 1.1 Location

#### General

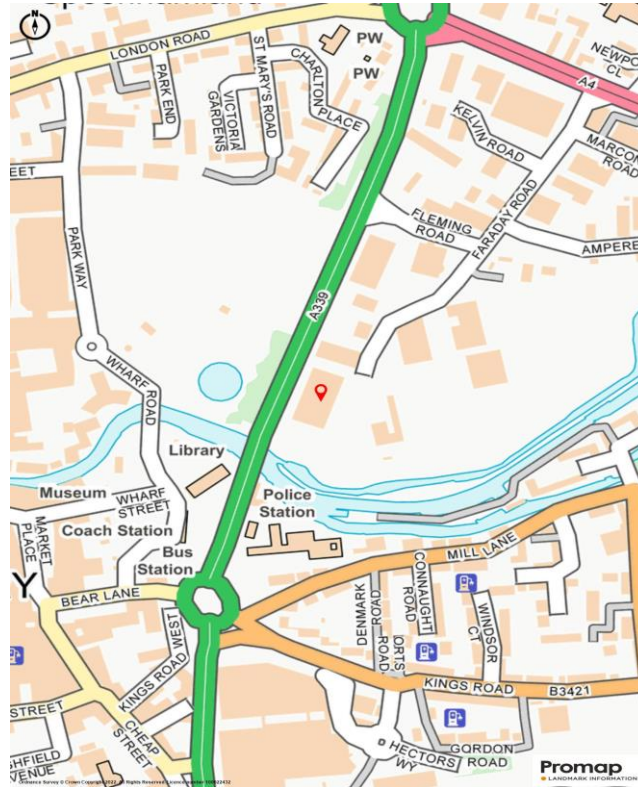
- Newbury is a market town in the county of Berkshire, which is home to the administrative headquarters of West Berkshire Council. It had a population of 41,075 as at Census 2021.
- As well as being home to Newbury Racecourse, it is the headquarters of Vodafone and software company Micro Focus International.
- Newbury lies in the valley of the River Kennet, 26 miles south of Oxford, 25 miles north of Winchester, 27 miles southeast of Swindon and 20 miles west of Reading. Newbury lies on the edge of the Berkshire Downs and is part of the North Wessex Downs area of outstanding natural beauty.



#### Situation

- The Property is situated on the Newbury Industrial Estate, located adjacent to Newbury town centre and in walking distance of most amenities.

- The Property is located at the end of Faraday Road, a cul-de-sac in an industrial location abutting the A339 trunk road connecting the M4 with Newbury.
- The site is visible from the road.



## 1.2 Description

- The Property comprises a detached industrial building having been converted to provide a high quality 3 storey self storage facility.
- The Property is constructed of a steel portal frame with box profile cladding under plastisol panelling.
- Mezzanine floors have been installed with external fire escapes, and a self storage fitout with a range of lock up units of varying sizes.
- The Property benefits from concrete floors, external ground level units, a loading door under a canopy and a protruding lobby and reception area.
- The building is situated within its own yard with security fencing of a low quality which is due to be replaced with high quality security fencing.
- The yard benefits from a concrete aggregate slab surface but is due to be resurfaced with asphalt.
- The yard has space to park 20-30 vehicles and have 10 external drive-up units built out.



## 2. AREAS

We understand the facility will provide the following floor areas:

| Area |                |
|------|----------------|
| MLA  | 51,000 sq. ft. |
| CLA  | 51,000 sq. ft. |

## 3. STRUCTURAL CONDITION AND REPAIR

We have not carried out a building or condition survey, nor have we been provided with one. During the course of our inspection, we noted the building appears to have been satisfactorily maintained having regard to its age, use and condition. We draw your attention to the following:

- The Property has recently been refurbished to present the existing self storage facility.
- The Property is in good condition and repair.

### Deleterious Materials

We have not been provided with an asbestos inspection report.

The age and style of construction of the Property are such that materials such as high alumina cement concrete, woodwool shuttering, calcium chloride or asbestos may have been used in its

original construction or subsequent alteration. We would draw your attention to the Section headed General Assumptions.

## 4. SITE



### Site Area

The site extends to approximately 1.42 acres.

### Boundary

The site boundary is broadly rectangular.

### Topography

The site is generally level.

### Ground Conditions

We are not aware of any adverse ground conditions at the Property.

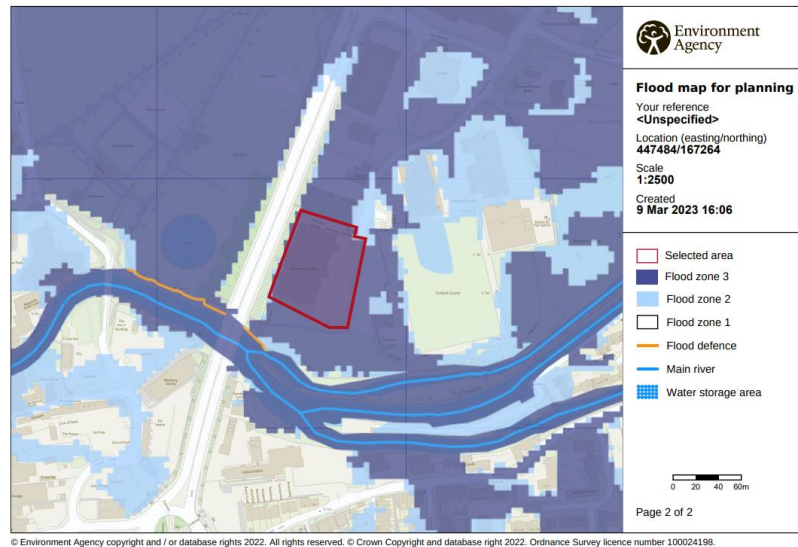
### Archaeology

We have made the assumption that the site has no archaeological significance.

### Flooding Risk

The Environment Agency plan is shown below with the approximate position of the Property highlighted. Plans were reviewed by us on the Environment Agency (Flood Risk for Planning) website on 9 March 2023.

The EA map indicates that the site is considered to have a Flood Zone 3 likelihood of flooding. This flood risk is indicated as the “main river” (River Kennet) located directly south of the Property the Property on plan below.



The Environment Agency map distinguishes between the different levels of flooding risk as follows:

- Flood Zone 3** - Land having a 1 in 100 or greater annual probability of river flooding; or Land having a 1 in 200 or greater annual probability of sea flooding. (Land shown in dark blue on the Flood Map)
- Flood Zone 3 - benefitting from flood defences**
- Flood Zone 2** - Land having between a 1 in 100 and 1 in 1,000 annual probability of river flooding; or land having between a 1 in 200 and 1 in 1,000 annual probability of sea flooding. (Land shown in light blue on the Flood Map)
- No Shading **Flood Zone 1** - Land having a less than 1 in 1,000 annual probability of river or sea flooding. (Shown as 'clear' on the Flood Map – all land outside Zones 2 and 3)

Our valuation is on the basis that the Property is already insured on normal terms under a policy which includes cover against flooding and we assume is capable of being renewed at a viable cost.

### Current and Historic Land Use

The Property is newly refurbished and developed to provide a self storage facility, but was previously occupied by a printing business with printing press and warehousing.

## 5. ENVIRONMENTAL MATTERS

### 5.1 Environmental considerations

We have made the enquiries referred to in the terms of the Engagement.

#### Energy Performance Certificate

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 establish a minimum level of energy efficiency for privately rented Property in England and Wales.

There are important matters that should be considered when reviewing an EPC, as follows:

- The quality of an EPC can vary significantly due to the historic limited regulation of assessors. This has improved significantly, however EPCs are valid for 10 years and therefore there are still a number of poor quality EPCs in the market. Furthermore, the age of an EPC is an important consideration because its accuracy will degrade over time. It is recommended that EPC's are reviewed regularly and at least every 5 years.
- The accuracy can also vary significantly due to the calculation methodology. Since their inception in 2008, there have been several changes to the way EPCs are calculated, including an update to Part L (Conservation of Fuel and Power) of the Building Regulations in 2011. That said, when there is a lack of information, an assessor will make default assumptions, usually based on the worst-case scenario this, in turn, can lead to an inaccurate default certificate.
- Where the Property's EPC rating falls within E, F or G, we would recommend that you ensure an 'Action Plan' is put in place by the Borrower. An 'Action Plan' would set out how the Borrower is going to ensure compliance with MEES regulations through an energy efficiency improvement programme. The process would highlight opportunities to implement works during void periods or lease breaks, or as part of the on-going maintenance and plant renewal programme. We recommend you monitor the implementation of this Plan over the period of the loan.
- We are not able to comment on the quality or accuracy of a specific EPC and we would advise undertaking your own quality assurance measures. We are not qualified to make an assessment of costs associated with improving non-compliant properties.

Energy Performance Certificates (EPCs) must be produced for all properties before being marketed for sale or lease.

### Impact on the Property

The Property has an EPC rating of 116-E. The expiry date is 3<sup>rd</sup> March 2031.

The Property prior to the improvements made in the conversion works did not meet the requirements of the updated MEES regulations. Following the works undertaken we anticipate that an updated EPC assessment will meet the EPC requirements of MEES regulations.

## 6. STATUTORY MATTERS

We have made the enquiries referred to in the terms of the Engagement.

### Town Planning

| Overview                  |                                              |
|---------------------------|----------------------------------------------|
| Local authority:          | West Berkshire District Council              |
| Current planning use:     | B8 Self Storage                              |
| Listed Building status:   | Not listed                                   |
| Conservation Area:        | No                                           |
| Outstanding applications: | None to our knowledge                        |
| Local Plan:               | West Berkshire Local Plan; adopted July 2012 |

## Planning History

| Date            | Ref No.      | Status    | Details                                                                                                                                                                              |
|-----------------|--------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wed 28 Sep 2022 | 22/02310/FUL | Approved  | Recladding the existing building. Change of use from class B2 Industrial with B2 (a) Office to B8 Storage.                                                                           |
| Wed 09 Feb 2022 | 22/00161/FUL | Withdrawn | Recladding the existing building. Installation of drive-up storage units in the rear car park/service yard. Change of use from class B2 Industrial with B2 (a) Office to B8 Storage. |

## Other Statutory Matters

- We are not aware of any road scheme or compulsory purchase order that could affect the Property.

## Equality Act 2010

- We have not carried out a Disabled Discrimination Access Audit (DDA Audit) to determine the extent of any non-compliance of the Property in relation to the requirements of Part 3 of the Disability Discrimination Act 2005 as encompassed in the Equality Act 2010. It is a requirement of this legislation that disabled people are provided with similar access as able bodied people to a place of employment, place of education or provider of services. It is the responsibility of the Property owner/occupier to ensure that disabled persons are given such access where reasonably practicable. Any adjustments required to the Property must be deemed to be "reasonable" in terms of the legislation. The extent of any non-compliance is assessed by suitably qualified individuals carrying out a DDA Audit of the Property, which is out with the scope of this valuation.
- We have therefore, made an assumption that there are no issues that would adversely affect marketability or value.

## 7. TAXATION

| Hereditament                                                  | Description          | Rateable Value<br>(1 August 2022) | Rateable Value<br>(1 April 2023) |
|---------------------------------------------------------------|----------------------|-----------------------------------|----------------------------------|
| Newspaper House,<br>Faraday Road, Newbury,<br>Berks, RG14 2DW | Warehouse & premises | £17,750                           | £26,000                          |

Following practical completion, the Property will require reassessment.

### Business Rates Fiscal Year 2022/2023

|                                                                                       |                                                                                    |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Non-Domestic Rating Multiplier</b>                                                 | 51.2 pence. There is a surcharge for the City of London of 0.8 pence in the pound. |
| <b>Businesses in London with assessments greater than a Rateable Value of £70,000</b> | Liable to pay a Cross Rail Levy of 2 pence in the pound.                           |

The Government introduced a new three-year transitional rate relief scheme to phase in the new 2023 Rateable Values. We understand that bills can change capped at the following levels:

|                                         | 2023 to 2024 | 2024 to 2025       | 2025 to 2026       |
|-----------------------------------------|--------------|--------------------|--------------------|
| Up to £20,000 (£28,000 in London)       | 5%           | 10% plus inflation | 25% plus inflation |
| £20,001 (£28,001 in London) to £100,000 | 15%          | 25% plus inflation | 40% plus inflation |
| Over £100,000                           | 30%          | 40% plus inflation | 55% plus inflation |

#### Value Added Tax

It is not known if the Property is elected for VAT purposes. Our valuations are net of any VAT that might be applicable at the prevailing rate.

#### Capital Allowances

There may be capital allowances available to a purchaser of the Property. We have not considered the benefits of these in our valuations. Should these be available, this may assist the marketing of the Property.

## 8. TENURE

| Title Overview                                                                                      |                                                                                                    |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Type of tenure:                                                                                     | Freehold                                                                                           |
| Title number:                                                                                       | BK222824                                                                                           |
| Source of Title information:                                                                        | We have not been provided with a Report on Title, so C&W have sourced this from the Land Registry. |
| Material encumbrances or unduly onerous / unusual easements, restrictions, outgoings or conditions: | None to our knowledge                                                                              |

## 9. OPINION OF VALUE

### 9.5 Market Value

Our opinion of the Market Value, of the freehold interest in the Property, as at the Valuation Date is:

**£9,260,000** (Nine Million Two Hundred and Sixty Thousand Pounds)

### 9.6 Market Value Upon Stabilisation

Our opinion of the Market Value, of the freehold interest in the Property upon stabilisation, as at the Valuation Date is:

**£12,050,000** (Twelve Million and Fifty Thousand Pounds)

## 10. SWOT ANALYSIS

| Strengths                                                                                                                                                                                                                                                             | Weaknesses                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Located in close proximity to Newbury town centre.</li><li>• Good road access.</li><li>• Roadside visibility.</li><li>• Local competition is very limited, with no major operators currently active in this market.</li></ul> | <ul style="list-style-type: none"><li>• Newbury has a relatively low population and therefore a limited potential customer base. That said, owing to limited competition, Cinch will have access to the lions share of the potential customer base.</li></ul> |
| Opportunities                                                                                                                                                                                                                                                         | Threats                                                                                                                                                                                                                                                       |
| <ul style="list-style-type: none"><li>• Strong self storage market.</li><li>• Provide a higher quality storage solution than is currently available in the local market.</li></ul>                                                                                    | <ul style="list-style-type: none"><li>• Ongoing economic uncertainties in the UK could adversely impact on fill-out of the store/rental rates.</li><li>• Other big operators could move into this market, thereby impacting on market share.</li></ul>        |

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## **APPENDIX 1 – VALUATION APPROACH & METHODOLOGY**

## VALUATION APPROACH & METHODOLOGY

Self storage properties are most likely to be bought and sold based on their trading potential and as such we have had regard to Valuation Practice Guidance – Application 4 (“VPGA 4”) of the RICS Professional Standards, which relates to the valuation of trade related properties.

We have adopted the profits approach in establishing the value of the Property. As set out in VPGA 4, this methodology is usually applied to properties that are specifically adapted for their particular use, as is the case in this instance. In addition, the value of the Property is clearly linked to the business that is to be operated from it and its trading potential.

Unless otherwise stated our opinion of value assumes the Property is fully equipped operational entities and include:

- The legal interest in the land and buildings.
- The trade inventory, usually comprising all trade fixtures, fittings, furnishings and equipment.
- The market's perception of the trading potential, together with the ability to obtain and renew existing licences, consents, certificates and permits.

For the avoidance of doubt our opinion of value does not include consumables and stock.

The valuations reported herein, as stated above, are on the basis of trading potential and as such it is assumed that:

- a) the business will at all times be effectively and competently managed, operated and promoted; and
- b) the business will be properly staffed, stocked and capitalised.

The underlying assumption when valuing properties of this nature is that there will be a continuation of trading and that there is a Reasonably Efficient Operator (REO) available to manage and operate the properties.

In undertaking a valuation by reference to the trading performance of the Property, we have been provided with projected trading data by the Client. This information has been and adjusted where necessary to align with our market sentiment and understanding. Particular regard has been given to the earnings before interest, tax, depreciation and amortisation (“EBITDA”) and capital expenditure.

The Property is integral to the proposed operation of the business and therefore, as with all classes of property valued by reference to trading potential, the underlying value of the property asset can fluctuate to a greater degree when that trading potential is altered, either up or down than is normally the case with most other types of commercial property. Consequently, if the EBITDA were to fall substantially short of current levels, then this would have a detrimental effect on future value. Conversely if the EBITDA were to rise substantially, this would have a positive effect.

### General Comment

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or Special Assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of value would exactly coincide with the price achieved were there an actual sale at the Valuation Date.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation were to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you contemplate a sale, we strongly recommend that the Properties are given proper exposure to the market.

A copy of this Valuation Report should be provided to your solicitors and they should be asked to inform us if they are aware of any aspect which is different, or in addition, to that we have set out; in which case, we will be pleased to reconsider our opinion of value in the light of their advice and / or opinions.

Historically, the market for self-storage properties was relatively thin and illiquid. This was primarily due to a lack of supply of good quality stock rather than a weakness of demand for the same.

More recently, we have witnessed a significant increase in the number of transactions taking place in the sector. These transactions have been a combination of individual asset sales, portfolios and corporate transactions. As valuers, the more sale evidence that is available provides us with greater certainty when undertaking the valuation of self storage assets.

### **Cashflow Analysis**

Our valuation approach has been supported by a 10-year cashflow, incorporating projections of future income and expenditure. These are not predictions, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment today and may be subject to change in the future. We make no warranty or representation that these projections of cashflow will materialise based on the fact that any property of this nature are typically appraised on the basis of a discounted cash flow due to the Market Value being underpinned by the trading potential of each property.

We have had regard to the location and specific attributes of the Property in comparison to other similar properties that we have valued and the available evidence of transactions that have taken place. These factors have influenced the yield we have applied to the Property in comparison to other self storage properties when compared with a benchmark, being the anticipated prime yield for this property sector.

In assessing the prime yield and discount rates for the self storage sector, we have also considered prime investment yields for other trading property types such as well as student housing and hotels, distribution/industrial units and retail warehouse properties for the specific Property location. We have also had regard to macro-economic factors including the prevailing bank base rate, the cost of 10-year money and inflation. We have reflected the yield levels and trends in these other sectors in refining the yield set. Finally, we have made adjustments to reflect perceived risks in relation to the Property and cashflow projection for the location.

Often in the self storage industry a premises is operated and occupied by a management team, sometimes from an established 3rd party business. A management contract (Or management agreement) is an arrangement under which operational control of an enterprise is vested by contract in a separate enterprise that performs the necessary managerial functions in return for a "management fee" and remuneration structure agreed between the parties. We consider this in our appraisal on the basis that an investor, purchasing the premises / operation for Market Value would position a team in place to ensure the enterprise can be classified a "Reasonably Efficient Operator".

Our valuation is exclusive of any Value Added Tax, or the local equivalent.

We have made subjective judgements during our valuation approach in arriving at our opinion and whilst we consider these to be both logical and appropriate, they are not necessarily the same as would be made by a purchaser. There is no discount or margin to reflect the purpose of the valuation.

The cap rate is an assessment of the yield of a property over one year calculated by dividing a property's net operating income by its asset value. This is derived from comparable evidence and applied to our valuation methodology and operating income by way of a prime net initial yield which is adjusted for risk-based factors such as location, quality and absorption.

The discount rate is the interest rate used to convert future cash flows into an equivalent one-off upfront sum or present value. The higher the discount rate, the lower the present value of a given future amount. This changes from time to time and is adjusted for factors such as increases in The Bank of England's Base Rate.

The assessed value of a self storage operation and premises are affected significantly by variables such as occupancy rates, the level of occupancy of the store by paying customers, the average rental rates across the overall lettable area (Current Lettable Area), the stabilisation period / fill up period and the growth and inflation rates of the rental rates and operational expenses. These variables are affected, but not exclusively, by trading pitch, local competition and local demographics (income and population).

### **Valuation Justification**

When considering the information we have been provided by the operator, we have applied our cashflow analysis as per the above with reasonable adjustments where appropriate to consider our market led considerations. We believe that when considering the Self Storage Market in this location we should consider UK based comparable evidence. The evidence that exists in the UK does give an indication as to the market led sentiment and appetite for similar operational properties in similar locations.

We believe that the most recent completed transactions are the most reliable, being the "U Store It" transaction itself in Q3 2022. We have thereafter considered the two most recent portfolio sales which we understand went under offer in Q1 this year, indicating an easing of reserved market conditions in Q4 last year with the Easistore portfolios accepted best and final bid indicating a net initial yield of between 5.40% and 5.50%.

Our prime cap rate has been derived from the comparable evidence and applied as 5.00%.

This is subject to adjustment for variables such as location, quality, absorption risk and track record. This adjusted "cap rate" equates to "Going in rate" stipulated in our valuation calculations and therefore indicated in our property Valuation Calculations on a property by property basis.

Our discount rates are based on an upwards adjustment from the "Going in Cap Rate" by the equivalent to the first years rental growth (average rental rate). A further adjustment has been made of 0.50% to consider the shift in the 10 year gilt market, giving us our current discount rate.

Please refer to our Valuation Calculations in Appendix A for our Valuation Summary, Cash Flow and Discount Cash Flow.

### **Haverhill Adjustments and Assumptions**

This is subject to locational adjustment of 0.50%. There is an additional adjustment to the absorption risk by way of 0.25% due to the required fill up of the store. This adjusted "cap rate" equates to "Going in rate" stipulated in our valuation calculations.

Our assumptions begin with occupancy at 0%, all income at day 1 being £0 and assume a stabilisation period of 36 months to an occupancy level of 87.50%. The "fill up" of the store can be seen in the Cash Flow Tab in our Valuation Calculations in Appendix A. Our Stabilised Market Value assumes that the stabilised occupancy level has been reached and the list price less discounting is being achieved to determine the revenue for the self storage element of the property.

Our Market Value shows that CLA is below the MLA floor areas and as such there is outstanding fit out required on the upper floor areas. This requires that the outstanding capital expenditure is deducted. This can be seen in our Market Value Calculations in Schedule A.

#### **Newbury Adjustments and Assumptions**

This is subject to locational adjustment of 0.25%. There is an additional adjustment to the absorption risk by way of 0.25% due to the fill up required at the property. This adjusted “cap rate” equates to “Going in rate” stipulated in our valuation calculations.

Our assumptions begin with occupancy at 0%, all income at day 1 being £0 and assume a stabilisation period of 36 months to an occupancy level of 87.50%. The “fill up” of the store can be seen in the Cash Flow Tab in our Valuation Calculations in Appendix A. Our Stabilised Market Value assumes that the stabilised occupancy level has been reached and the list price less discounting is being achieved to determine the revenue for the self storage element of the property.

Our Market Value shows that CLA is below the MLA floor areas and as such there is outstanding fit out required on the upper floor areas. This requires that the outstanding capital expenditure is deducted. This can be seen in our Market Value Calculations in Schedule A.

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**APPENDIX 2 – VALUATIONS**



| SUMMARY OF INFORMATION |                                            |                | AVERAGE RENTAL RATES   |                                                              |             | CASHFLOW RESULTS     |                                                                        |             |
|------------------------|--------------------------------------------|----------------|------------------------|--------------------------------------------------------------|-------------|----------------------|------------------------------------------------------------------------|-------------|
| 1                      | Property location                          | Haverhill      | 39                     | Potential ARR (list price)                                   | £25.00      | 83                   | Market Value                                                           | £3,570,000  |
| 2                      | Country                                    | United Kingdom | 40                     | Current ARR                                                  | £18.75      | 84                   | MV per SQFT / MLA                                                      | £78.46      |
| 3                      | Currency                                   | GBP            | 41                     | ARR average discount year 1                                  | 25.00%      | 85                   | MV per Hectare                                                         | n/a         |
| 4                      | Property reference number                  | Haverhill      | 42                     | ARR average discount year 2                                  | 22.50%      | 86                   | MV per Acre                                                            | n/a         |
| 5                      | Tenure                                     | Freehold       | 43                     | ARR average discount year 3                                  | 20.00%      | 87                   | MV per unit (average)                                                  | n/a         |
| 6                      | Valuation date                             | 07-Mar-23      | 44                     | ARR average discount year 4+                                 | 17.50%      | Net operating income |                                                                        |             |
| 7                      | Opening date                               | 31-Mar-24      | 45                     | ARR (self storage) adopted in year 1                         | £18.75      | 88                   | Year 1 NOI                                                             | -£275,354   |
| 8                      | Years since opening                        | -1.01          | 46                     | Bulk ARR                                                     | £0.00       | 89                   | Year 1 NOI post head rent                                              | -£275,354   |
| 9                      | Site area (hectares)                       | 0.00           | 47                     | Office ARR                                                   | £0.00       | 90                   | Year 1 NOI post management fee and capital reserves                    | -£3,825,406 |
| 10                     | Site area (acres)                          | 0.00           | 48                     | Blended ARR (SS + Office)                                    | #DIV/0!     | 91                   | Projected stabilised net cashflow (per annum)                          | £583,635    |
| 11                     | Floor area basis                           | SQFT           | 49                     | Blended ARR (ALL)                                            | #DIV/0!     | 92                   | Day 1 NOI after all expenses (per annum)                               | -£307,854   |
| 12                     | Gross Internal Area                        | -              | FORECAST STABILISATION |                                                              |             | 93                   | Day 1 net cashflow (after all expenses and capital costs) (per annum)  | -£3,825,406 |
| LETTABLE AREAS         |                                            |                | 50                     | Forecast stabilised occupancy - Self Storage                 | 87.50%      | Yields               |                                                                        |             |
| 13                     | MLA - Self Storage                         | 45,500         | 51                     | Forecast stabilised occupancy - Bulk                         | 0.00%       | 94                   | Gross initial yield (based on NOI)                                     | -7.24%      |
| 14                     | CLA - Self Storage                         | 0              | 52                     | Forecast stabilised occupancy - Office                       | 0.00%       | 95                   | Gross initial yield (post head rent)                                   | -7.24%      |
| 15                     | Current Let Area                           | 0              | 53                     | Forecast date for stabilisation                              | 06-Mar-26   | 96                   | Gross initial yield (based on net cashflow)                            | -100.57%    |
| 16                     | CLA - Bulk Storage                         | -              | 54                     | No. of months to stabilisation                               | 36.00       | 97                   | Net initial yield (based on NOI)                                       | -7.71%      |
| 17                     | Bulk Let Area                              | -              | 55                     | Net rentable floor area occupied at stabilisation            | 39,813      | 98                   | Net initial yield (post head rent)                                     | -7.71%      |
| 18                     | CLA - Office Space                         | -              | 56                     | Average monthly absorption assumption year 1 (SQFT / month)  | 0.00        | 99                   | Net initial yield (based on net cashflow)                              | -107.15%    |
| 19                     | Office Let Area                            | -              | 57                     | Average monthly absorption assumption year 2 (SQFT / month)  | 1658.85     | 100                  | Net Initial Yield (based on net cashflow) pre capex                    | -8.62%      |
| 19                     | MLA - Total                                | 45,500         | 58                     | Average monthly absorption assumption year 3 (SQFT / month)  | 1658.85     | 101                  | Net Initial Yield (based on net cashflow) post capex                   | -107.15%    |
| 20                     | CLA - Total                                | 0              | 59                     | Average monthly absorption assumption year 4 (SQFT / month)  | 0.00        | 102                  | IRR                                                                    | 315.55%     |
| 21                     | Total Let Area                             | 0              | 60                     | Average monthly absorption assumption year 5+ (SQFT / month) | 0.00        | 103                  | EBITDA Multiple                                                        | -0.93       |
| 22                     | Variance between MLA and CLA               | -100.00%       | OPERATING EXPENSES     |                                                              |             | 104                  | Market Value upon stabilisation                                        | £9,020,000  |
| 23                     | Gross to net floor area ratio              | -              | 61                     | Year 1 total operating expenses                              | £285,713    | 105                  | Stabilised net cashflow (after expenses and capital costs) (per annum) | £583,635    |
| STORE OCCUPANCY        |                                            |                | 62                     | Year 1 total operating expenses per SQFT / MLA               | £6.28       | 106                  | Gross Initial Yield (based on net cashflow)                            | 6.06%       |
| 24                     | Self Storage occupancy % (current)         | 0.00%          | 63                     | Year 1 total operating expenses per SQFT / CLA               | £6.28       | 107                  | Net Initial Yield (based on net cashflow)                              | 6.47%       |
| 25                     | Bulk occupancy % (current)                 | 0.00%          | 64                     | Head rent                                                    | £0.00       | 108                  | MV upon stabilisation per SQFT                                         | £198.24     |
| 26                     | Office occupancy % (current)               | 0.00%          | 65                     | Anticipated capital expenditure                              | -£3,517,500 | 109                  | MV upon stabilisation per Hectare                                      | n/a         |
| 27                     | Total Occupancy (on MLA)                   | 0.00%          | CASHFLOW VARIABLES     |                                                              |             | 110                  | MV upon stabilisation per Acre                                         | n/a         |
| 28                     | Total Occupancy (on CLA)                   | 0.00%          | 66                     | Rental growth rate year 1                                    | 2.50%       | 111                  | Stabilised net cashflow per SQFT                                       | £12.83      |
| UNIT MIX               |                                            |                | 67                     | Rental growth rate year 2                                    | 2.50%       | 112                  | Stabilised value - average per unit                                    | n/a         |
| 29                     | Number of units (currently built out)      | -              | 68                     | Rental growth rate year 3                                    | 2.50%       | 113                  | Stabilised EBITDA Multiple                                             | 15.45       |
| 30                     | Expected number of units (fully built out) | -              | 69                     | Rental growth rate year 4                                    | 2.50%       | Transaction Costs    |                                                                        |             |
| 31                     | Number of units currently occupied         | -              | 70                     | Rental growth rate year 5+                                   | 2.50%       | 114                  | Cost of sale                                                           | 1.50%       |
| 32                     | Average unit size (fully built out)        | n/a            | 71                     | Other income growth rate                                     | 2.50%       | 115                  | Purchaser's Costs (MV)                                                 | 6.71%       |
| 33                     | Average unit size (currently built out)    | n/a            | 72                     | Expense inflation rate                                       | 3.00%       | 116                  | Purchaser's Costs (MV at exit)                                         | 6.52%       |
| 34                     | Average unit size (on current occupancy)   | n/a            | 73                     | Management fee as % EGI                                      | 6.00%       | 117                  | Purchaser's Costs (Stabilised)                                         | 6.72%       |
| CURRENT MONTHLY INCOME |                                            |                | 74                     | Management fee cap (pre growth)                              | £62,500     | 118                  | Purchaser's Costs (Stabilised at exit)                                 | 6.69%       |
| 35                     | Currency                                   | GBP            | 75                     | Management fee collar (pre growth)                           | £32,500     | LEASE SUMMARY        |                                                                        |             |
| 36                     | Self storage income                        | £0             | 76                     | Management fee: cap & collar growth rate                     | 3.00%       | 119                  | Head Rent                                                              |             |
| 37                     | Retail income                              | £0             | 77                     | Capital reserves % EGI                                       | 0.50%       | 120                  | Next Head Rent Review Date                                             |             |
| 38                     | Retail income as % EGI                     | 9.00%          | CAPITALISATION RATES   |                                                              |             | 121                  | Leasehold Expiry                                                       |             |
| 39                     | Bulk storage income                        | £0             | 78                     | Going in cap rate                                            | 5.75%       | 122                  | Head Rent Review Frequency                                             |             |
| 40                     | Office income                              | £0             | 79                     | Exit cap rate (current)                                      | 6.00%       | 123                  | Head Rent Inflation                                                    |             |
| 41                     | Non-core income                            | £0.00          | 80                     | Exit cap rate (stabilised)                                   | 5.75%       |                      |                                                                        |             |
| 42                     | Total monthly income (current)             | £0             | 81                     | Discount rate (current)                                      | 8.75%       |                      |                                                                        |             |
|                        |                                            |                | 82                     | Discount rate (stabilised)                                   | 8.50%       |                      |                                                                        |             |

Unless this information is provided in conjunction with a Valuation Report, it is for guidance purposes only and does not constitute a formal valuation. The information is confidential to the party to whom it is addressed and no liability is accepted to any other party.

| Cushman & Wakefield          |         | Year      | Quarter    |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
|------------------------------|---------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------|
| Year Ending                  |         |           | 0          | 1          | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10         | 11         | 12         | 13         | 14         | 15         | 16         | 17         | 18         | 19         | 20     |
|                              |         |           | Mar-23     | Mar-24     | Mar-25     | Mar-26     | Mar-27     | Mar-28     | Mar-29     | Mar-30     | Mar-31     | Mar-32     | Mar-33     | Mar-34     | Mar-35     | Mar-36     | Mar-37     | Mar-38     | Mar-39     | Mar-40     | Mar-41     | Mar-42     | Mar-43 |
| Property:                    |         | Haverhill | GBP        | Freehold   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
| Assumptions                  |         |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
| Income Growth                | %       |           | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%  |
| Other income growth rate     | %       |           | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%      | 2.50%  |
| Cost Inflation               | %       |           | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%  |
| Self Storage Income          |         |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
| MLA                          | sq ft   |           | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500 |
| CLA                          | sq ft   |           | 3,792      | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500     | 45,500 |
| Current Let Area             | sq ft   |           | 507        | 10,783     | 30,689     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813     | 39,813 |
| Occupancy % CLA              | %       |           | 13.4%      | 23.7%      | 67.4%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%      | 87.5%  |
| Potential ARR                | £/sq ft |           | £25.00     | £25.63     | £26.27     | £26.92     | £27.60     | £28.29     | £28.99     | £29.72     | £30.46     | £31.22     | £32.00     | £32.80     | £33.62     | £34.46     | £35.32     | £36.21     | £37.11     | £38.04     | £38.99     | £39.97     | £39.97 |
| Discounts                    | %       |           | 25.0%      | 22.5%      | 20.0%      | 17.5%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%      | 15.0%  |
| Net ARR                      | £/sq ft |           | £18.75     | £19.86     | £21.01     | £22.21     | £23.46     | £24.04     | £24.64     | £25.26     | £25.89     | £26.54     | £27.20     | £27.88     | £28.58     | £29.29     | £30.03     | £30.78     | £31.55     | £32.33     | £33.14     | £33.97     | £33.97 |
| Annual Income                | £       |           | £9,504     | £214,135   | £644,849   | £884,270   | £933,843   | £957,189   | £981,119   | £1,005,647 | £1,030,788 | £1,056,558 | £1,082,972 | £1,110,046 | £1,137,797 | £1,166,242 | £1,195,398 | £1,225,283 | £1,255,915 | £1,287,313 | £1,319,496 | £1,352,483 |        |
| Retail Income                |         |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
| Retail Income %              | %       |           | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%       | 9.0%   |
| Retail Income                | £       |           | £855       | £19,272    | £58,036    | £79,584    | £84,046    | £86,147    | £88,301    | £90,508    | £92,771    | £95,090    | £97,467    | £99,904    | £102,402   | £104,962   | £107,586   | £110,275   | £113,032   | £115,858   | £118,755   | £121,723   |        |
| Retail Income % EGI          | %       |           | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%       | 8.3%   |
| Bulk Income                  |         |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
| Bulk MLA                     | sq ft   |           | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -      |
| Bulk CLA                     | sq ft   |           | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -      |
| Bulk Current Let Area        | sq ft   |           | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -      |
| Bulk Occupancy % CLA         | %       |           | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%   |
| Bulk Rate                    | £/sq ft |           | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00      | £0.00  |
| Bulk Income                  | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0     |
| Bulk Income % EGI            | %       |           | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%   |
| Non-core Income              |         |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
| Car parking                  | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0     |
| Tenancy                      | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0     |
| Other                        | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0     |
| Bulk tenancy                 | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0     |
| At risk tenancy income       | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0     |
| Total                        | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0     |
| Non-Core income % EGI        | %       |           | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%   |
| Effective Gross Income (EGI) | £       |           | £10,359    | £233,408   | £702,886   | £963,855   | £1,017,889 | £1,043,336 | £1,069,419 | £1,096,155 | £1,123,559 | £1,151,648 | £1,180,439 | £1,209,950 | £1,240,199 | £1,271,204 | £1,302,984 | £1,335,558 | £1,368,947 | £1,403,171 | £1,438,250 | £1,474,207 |        |
| Operating Expenses           |         |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
| Payroll                      | £       |           | £(86,147)  | £(88,731)  | £(91,393)  | £(94,135)  | £(96,959)  | £(99,868)  | £(102,864) | £(105,950) | £(109,128) | £(112,402) | £(115,774) | £(119,247) | £(122,825) | £(126,509) | £(130,305) | £(134,214) | £(138,240) | £(142,387) | £(146,659) | £(151,059) |        |
| Tax & NIC                    | £       |           | £(11,199)  | £(11,535)  | £(11,881)  | £(12,238)  | £(12,605)  | £(12,983)  | £(13,372)  | £(13,773)  | £(14,187)  | £(14,612)  | £(15,051)  | £(15,502)  | £(15,967)  | £(16,446)  | £(16,940)  | £(17,448)  | £(17,971)  | £(18,510)  | £(19,066)  | £(19,638)  |        |
| Staff Training               | £       |           | £(2,634)   | £(2,610)   | £(2,688)   | £(2,769)   | £(2,852)   | £(2,937)   | £(3,025)   | £(3,116)   | £(3,210)   | £(3,306)   | £(3,405)   | £(3,507)   | £(3,612)   | £(3,721)   | £(3,832)   | £(3,946)   | £(4,063)   | £(4,183)   | £(4,305)   | £(4,431)   |        |
| Utilities                    | £       |           | £(17,736)  | £(18,268)  | £(18,816)  | £(19,381)  | £(19,962)  | £(20,561)  | £(21,178)  | £(21,813)  | £(22,468)  | £(23,142)  | £(23,835)  | £(24,551)  | £(25,287)  | £(26,046)  | £(26,827)  | £(27,632)  | £(28,461)  | £(29,315)  | £(30,194)  | £(31,100)  |        |
| Tel/Internet                 | £       |           | £(4,054)   | £(4,176)   | £(4,301)   | £(4,430)   | £(4,563)   | £(4,700)   | £(4,841)   | £(4,986)   | £(5,135)   | £(5,290)   | £(5,448)   | £(5,612)   | £(5,784)   | £(5,953)   | £(6,127)   | £(6,316)   | £(6,505)   | £(6,701)   | £(6,902)   | £(7,109)   |        |
| Merchandise Cost             | £       |           | £(669)     | £(718)     | £(773)     | £(833)     | £(899)     | £(971)     | £(1,048)   | £(1,130)   | £(1,217)   | £(1,309)   | £(1,406)   | £(1,508)   | £(1,615)   | £(1,727)   | £(1,844)   | £(1,966)   | £(2,093)   | £(2,225)   | £(2,362)   | £(2,504)   |        |
| Office Expenses              | £       |           | £(2,027)   | £(2,088)   | £(2,150)   | £(2,215)   | £(2,281)   | £(2,350)   | £(2,420)   | £(2,493)   | £(2,568)   | £(2,645)   | £(2,724)   | £(2,806)   | £(2,890)   | £(2,977)   | £(3,066)   | £(3,158)   | £(3,253)   | £(3,350)   | £(3,451)   | £(3,554)   |        |
| Office IT                    | £       |           | £(4,257)   | £(4,384)   | £(4,516)   | £(4,651)   | £(4,791)   | £(4,935)   | £(5,083)   | £(5,235)   | £(5,392)   | £(5,554)   | £(5,721)   | £(5,892)   | £(6,069)   | £(6,251)   | £(6,439)   | £(6,632)   | £(6,831)   | £(7,036)   | £(7,247)   | £(7,464)   |        |
| Rates                        | £       |           | £(81,079)  | £(83,512)  | £(86,017)  | £(88,597)  | £(91,255)  | £(93,993)  | £(96,813)  | £(99,717)  | £(102,709) | £(105,790) | £(108,964) | £(112,233) | £(115,600) | £(119,068) | £(122,640) | £(126,319) | £(130,108) | £(134,012) | £(138,032) | £(142,173) |        |
| R&M                          | £       |           | £(15,202)  | £(15,658)  | £(16,128)  | £(16,612)  | £(17,110)  | £(17,624)  | £(18,152)  | £(18,697)  | £(19,258)  | £(19,836)  | £(20,431)  | £(21,044)  | £(21,675)  | £(22,325)  | £(22,995)  | £(23,685)  | £(24,395)  | £(25,127)  | £(25,881)  | £(26,657)  |        |
| Prof/Accounting Fees         | £       |           | £(10,135)  | £(10,439)  | £(10,752)  | £(11,075)  | £(11,407)  | £(11,749)  | £(12,102)  | £(12,465)  | £(12,839)  | £(13,224)  | £(13,620)  | £(14,029)  | £(14,450)  | £(14,883)  | £(15,330)  | £(15,790)  | £(16,264)  | £(16,751)  | £(17,254)  | £(17,772)  |        |
| Brand & Website              | £       |           | £(3,040)   | £(3,132)   | £(3,226)   | £(3,322)   | £(3,422)   | £(3,525)   | £(3,630)   | £(3,739)   | £(3,852)   | £(3,967)   | £(4,086)   | £(4,209)   | £(4,335)   | £(4,465)   | £(4,599)   | £(4,737)   | £(4,879)   | £(5,025)   | £(5,176)   | £(5,331)   |        |
| Marketing                    | £       |           | £(35,472)  | £(36,536)  | £(37,632)  | £(38,761)  | £(39,924)  | £(41,122)  | £(42,356)  | £(43,626)  | £(44,935)  | £(46,283)  | £(47,672)  | £(49,102)  | £(50,575)  | £(52,092)  | £(53,655)  | £(55,264)  | £(56,922)  | £(58,630)  | £(60,389)  | £(62,201)  |        |
| Insurance                    | £       |           | £(12,162)  | £(12,527)  | £(12,903)  | £(13,290)  | £(13,688)  | £(14,099)  | £(14,522)  | £(14,958)  | £(15,406)  | £(15,869)  | £(16,345)  | £(16,835)  | £(17,340)  | £(17,860)  | £(18,396)  | £(18,948)  | £(19,516)  | £(20,102)  | £(20,705)  | £(21,326)  |        |
| Other                        | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         |        |
| Subtotal:                    | £       |           | £(285,713) | £(294,285) | £(303,113) | £(312,207) | £(321,573) | £(331,220) | £(341,157) | £(351,391) | £(361,933) | £(372,791) | £(383,975) | £(395,494) | £(407,359) | £(419,579) | £(432,167) | £(445,132) | £(458,486) | £(472,240) | £(486,408) | £(501,000) |        |
| Net Operating Income         | £       |           | £(275,354) | £(60,877)  | £399,773   | £651,648   | £696,316   | £712,116   | £728,263   | £744,764   | £761,626   | £778,857   | £796,464   | £814,456   | £832,840   | £851,624   | £870,817   | £890,426   | £910,461   | £930,931   | £951,843   | £973,207   |        |
| Other expenses:              |         |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |
| Head Rent                    | £       |           | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         | £0         |        |
| Management fee               | £       |           | £(32,500)  |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |        |

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SUMMARY OF INFORMATION

|    |                           |                |
|----|---------------------------|----------------|
| 1  | Property location         | Newbury        |
| 2  | Country                   | United Kingdom |
| 3  | Currency                  | GBP            |
| 4  | Property reference number | Newbury        |
| 5  | Tenure                    | Freehold       |
| 6  | Valuation date            | 07-Mar-23      |
| 7  | Opening date              | 30-Jun-23      |
| 8  | Years since opening       | -0.26          |
| 9  | Site area (hectares)      | 0.00           |
| 10 | Site area (acres)         | 0.00           |
| 11 | Floor area basis          | SQFT           |
| 12 | Gross Internal Area       | -              |

LETTABLE AREAS

|    |                    |        |
|----|--------------------|--------|
| 13 | MLA - Self Storage | 41,000 |
| 14 | CLA - Self Storage | 0      |
| 15 | Current Let Area   | 0      |
| 16 | CLA - Bulk Storage | 10,000 |
| 17 | Bulk Let Area      | 0      |
| 18 | CLA - Office Space | -      |
| 19 | Office Let Area    | -      |

|    |                               |         |
|----|-------------------------------|---------|
| 19 | MLA - Total                   | 51,000  |
| 20 | CLA - Total                   | 10,000  |
| 21 | Total Let Area                | 0       |
| 22 | Variance between MLA and CLA  | -80.39% |
| 23 | Gross to net floor area ratio | -       |

STORE OCCUPANCY

|    |                                    |       |
|----|------------------------------------|-------|
| 24 | Self Storage occupancy % (current) | 0.00% |
| 25 | Bulk occupancy % (current)         | 0.00% |
| 26 | Office occupancy % (current)       | 0.00% |
| 27 | Total Occupancy (on MLA)           | 0.00% |
| 28 | Total Occupancy (on CLA)           | 0.00% |

UNIT MIX

|    |                                            |     |
|----|--------------------------------------------|-----|
| 29 | Number of units (currently built out)      | -   |
| 30 | Expected number of units (fully built out) | -   |
| 31 | Number of units currently occupied         | -   |
| 32 | Average unit size (fully built out)        | n/a |
| 33 | Average unit size (currently built out)    | n/a |
| 34 | Average unit size (on current occupancy)   | n/a |

CURRENT MONTHLY INCOME

|    |                                |        |
|----|--------------------------------|--------|
| 35 | Currency                       | GBP    |
| 36 | Self storage income            | £0     |
| 37 | Retail income                  | £0     |
| 38 | Retail income as % EGI         | 12.00% |
| 39 | Bulk storage income            | £0     |
| 40 | Office income                  | £0     |
| 41 | Non-core income                | £0.00  |
| 42 | Total monthly income (current) | £0     |

AVERAGE RENTAL RATES

|    |                                      |        |
|----|--------------------------------------|--------|
| 39 | Potential ARR (list price)           | £27.50 |
| 40 | Current ARR                          | £20.63 |
| 41 | ARR average discount year 1          | 25.00% |
| 42 | ARR average discount year 2          | 22.50% |
| 43 | ARR average discount year 3          | 20.00% |
| 44 | ARR average discount year 4+         | 15.00% |
| 45 | ARR (self storage) adopted in year 1 | £20.63 |

|    |                           |         |
|----|---------------------------|---------|
| 46 | Bulk ARR                  | £16.00  |
| 47 | Office ARR                | £0.00   |
| 48 | Blended ARR (SS + Office) | #DIV/0! |
| 49 | Blended ARR (ALL)         | £0.00   |

FORECAST STABILISATION

|    |                                                   |           |
|----|---------------------------------------------------|-----------|
| 50 | Forecast stabilised occupancy - Self Storage      | 87.50%    |
| 51 | Forecast stabilised occupancy - Bulk              | 85.00%    |
| 52 | Forecast stabilised occupancy - Office            | 0.00%     |
| 53 | Forecast date for stabilisation                   | 06-Mar-26 |
| 54 | No. of months to stabilisation                    | 36.00     |
| 55 | Net rentable floor area occupied at stabilisation | 44,375    |

|    |                                                              |         |
|----|--------------------------------------------------------------|---------|
| 56 | Average monthly absorption assumption year 1 (SQFT / month)  | 597.92  |
| 57 | Average monthly absorption assumption year 2 (SQFT / month)  | 1195.83 |
| 58 | Average monthly absorption assumption year 3 (SQFT / month)  | 1195.83 |
| 59 | Average monthly absorption assumption year 4 (SQFT / month)  | 0.00    |
| 60 | Average monthly absorption assumption year 5+ (SQFT / month) | 0.00    |

OPERATING EXPENSES

|    |                                                |           |
|----|------------------------------------------------|-----------|
| 61 | Year 1 total operating expenses                | £307,851  |
| 62 | Year 1 total operating expenses per SQFT / MLA | £6.04     |
| 63 | Year 1 total operating expenses per SQFT / CLA | £6.04     |
| 64 | Head rent                                      | £0.00     |
| 65 | Anticipated capital expenditure                | -£105,000 |

CASHFLOW VARIABLES

|    |                            |       |
|----|----------------------------|-------|
| 66 | Rental growth rate year 1  | 2.50% |
| 67 | Rental growth rate year 2  | 2.50% |
| 68 | Rental growth rate year 3  | 2.50% |
| 69 | Rental growth rate year 4  | 2.50% |
| 70 | Rental growth rate year 5+ | 2.50% |
| 71 | Other income growth rate   | 2.50% |
| 72 | Expense inflation rate     | 3.00% |

|    |                                          |         |
|----|------------------------------------------|---------|
| 73 | Management fee as % EGI                  | 6.00%   |
| 74 | Management fee cap (pre growth)          | £62,500 |
| 75 | Management fee collar (pre growth)       | £32,500 |
| 76 | Management fee: cap & collar growth rate | 3.00%   |

|    |                        |       |
|----|------------------------|-------|
| 77 | Capital reserves % EGI | 0.50% |
|----|------------------------|-------|

CAPITALISATION RATES

|    |                            |       |
|----|----------------------------|-------|
| 78 | Going in cap rate          | 5.50% |
| 79 | Exit cap rate (current)    | 5.75% |
| 80 | Exit cap rate (stabilised) | 5.50% |
| 81 | Discount rate (current)    | 8.50% |
| 82 | Discount rate (stabilised) | 8.25% |

CASHFLOW RESULTS

|    |                       |            |
|----|-----------------------|------------|
| 83 | Market Value          | £9,260,000 |
| 84 | MV per SQFT / MLA     | £181.57    |
| 85 | MV per Hectare        | n/a        |
| 86 | MV per Acre           | n/a        |
| 87 | MV per unit (average) | n/a        |

Net operating income

|    |                                                                       |           |
|----|-----------------------------------------------------------------------|-----------|
| 88 | Year 1 NOI                                                            | -£238,311 |
| 89 | Year 1 NOI post head rent                                             | -£238,311 |
| 90 | Year 1 NOI post management fee and capital reserves                   | -£376,159 |
| 91 | Projected stabilised net cashflow (per annum)                         | £747,399  |
| 92 | Day 1 NOI after all expenses (per annum)                              | -£270,811 |
| 93 | Day 1 net cashflow (after all expenses and capital costs) (per annum) | -£376,159 |

Yields

|     |                                                      |        |
|-----|------------------------------------------------------|--------|
| 94  | Gross initial yield (based on NOI)                   | -2.41% |
| 95  | Gross initial yield (post head rent)                 | -2.41% |
| 96  | Gross initial yield (based on net cashflow)          | -3.81% |
| 97  | Net initial yield (based on NOI)                     | -2.57% |
| 98  | Net initial yield (post head rent)                   | -2.57% |
| 99  | Net initial yield (based on net cashflow)            | -4.06% |
| 100 | Net Initial Yield (based on net cashflow) pre capex  | -2.93% |
| 101 | Net Initial Yield (based on net cashflow) post capex | -4.06% |
| 102 | IRR                                                  | 7.77%  |
| 103 | EBITDA Multiple                                      | -24.62 |

|     |                                                                        |             |
|-----|------------------------------------------------------------------------|-------------|
| 104 | Market Value upon stabilisation                                        | £12,050,000 |
| 105 | Stabilised net cashflow (after expenses and capital costs) (per annum) | £747,399    |
| 106 | Gross Initial Yield (based on net cashflow)                            | 5.81%       |
| 107 | Net Initial Yield (based on net cashflow)                              | 6.20%       |
| 108 | MV upon stabilisation per SQFT                                         | £236.27     |
| 109 | MV upon stabilisation per Hectare                                      | n/a         |
| 110 | MV upon stabilisation per Acre                                         | n/a         |
| 111 | Stabilised net cashflow per SQFT                                       | £14.65      |
| 112 | Stabilised value - average per unit                                    | n/a         |
| 113 | Stabilised EBITDA Multiple                                             | 16.12       |

Transaction Costs

|     |                                        |       |
|-----|----------------------------------------|-------|
| 114 | Cost of sale                           | 1.50% |
| 115 | Purchaser's Costs (MV)                 | 6.73% |
| 116 | Purchaser's Costs (MV at exit)         | 6.69% |
| 117 | Purchaser's Costs (Stabilised)         | 6.74% |
| 118 | Purchaser's Costs (Stabilised at exit) | 6.72% |

LEASE SUMMARY

|     |                            |
|-----|----------------------------|
| 119 | Head Rent                  |
| 120 | Next Head Rent Review Date |
| 121 | Leasehold Expiry           |
| 122 | Head Rent Review Frequency |
| 123 | Head Rent Inflation        |

Unless this information is provided in conjunction with a Valuation Report, it is for guidance purposes only and does not constitute a formal valuation. The information is confidential to the party to whom it is addressed and no liability is accepted to any other party.

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## **APPENDIX 3 – MARKET COMMENTARY**

## MARKET COMMENTARY

The self storage market in the UK is more developed than in most other European countries but has a fraction of the supply (relative to population) that is available in the North American and Australian markets. In the UK, the concept of self storage has been present since the mid 1980's but the market has accelerated since the late 1990's with the emergence of a handful of larger operators such as Shurgard, Big Yellow, Safestore and Access.

With relatively low levels of self storage space per person in the UK when compared to more established markets such as the USA, it is generally accepted that the UK should be able to absorb an increase in supply of self storage accommodation. However, we believe it would be inappropriate to assume that either the UK or other European markets will follow the same pattern to maturity. Furthermore, levels of supply vary significantly across the main markets in the UK.

In total, there is approximately 52 million sq ft of self storage space in the UK and we estimate that the total turnover of the industry in 2021 was £930 million.

The UK market is dominated by a small number of larger operators and a smaller number of mid-sized operators with the balance being small scale businesses. The principal UK operators with the largest number of stores under one brand as at January 2022 (publication of the 2021 Self Storage Associations Annual Survey) are:

| Brand                                                  | Number of stores |
|--------------------------------------------------------|------------------|
| Safestore                                              | 133              |
| Big Yellow Self Storage<br>(including Armadillo brand) | 106              |
| Access Self Storage                                    | 60               |
| Shurgard Self Storage UK                               | 40               |
| Lok'nStore                                             | 39               |
| Storage King                                           | 37               |
| Ready Steady Store                                     | 27               |
| Storagemart                                            | 18               |

- Around 30% of UK self storage facilities are owned or managed by large operators (operators managing 10 or more sites). However, since these operators tend to have larger sites, and many are located in higher rent locations, in terms of total space available and total revenue, their share of the market is likely to be well over 40%.

### Transactional Evidence and Market Information

- There is an enormous amount of data available on the self storage industry in the United States and the market for self storage properties is relatively fluid and transparent. In contrast, there is limited public information available in the UK market on trading performance at store level, there is even less so in Northern Ireland as such we have concentrated on the UK as a whole.

- There are three public companies in the UK (Lok’N Store, Safestore and Big Yellow), but trading information is only given at group level with some general additional commentary on trading performance across the portfolio.
- At Cushman & Wakefield (C&W) we have a substantial amount of information relating to operational trading data within the sector as a result of our presence in the market. Part of this is derived courtesy of our portfolio valuation work for the likes of Safestore, Shurgard and Storage King. We have analysed this data and use it to guide our professional opinions in the sector.
- In terms of self storage, there have been a number of transactions over recent years, including the following transactions that we have recorded since Q4 2020.

| Date    | Transaction                                      | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1 2023 | UK Self Storage Portfolio                        | <ul style="list-style-type: none"> <li>• This property portfolio has been openly marketed since autumn 2022 but to date has not been sold.</li> <li>• Made up of 28 properties, 19 of which were leasehold.</li> <li>• The portfolio was primarily stabilised assets.</li> <li>• The properties were primarily single storey drive up units.</li> <li>• Estimated 2021-22 EBITDA of £9.1m.</li> <li>• We understand that the portfolio is currently under offer for £120m.</li> </ul> |
| Q1 2023 | Easistore Portfolio                              | <ul style="list-style-type: none"> <li>• A portfolio of 4 properties and a development plot is understood to be under offer to Nuveen at £84 million.</li> <li>• The sites were a mixture of locational desirability.</li> <li>• The devalued net initial yield equates to between 5.40% and 5.50% net initial yield.</li> </ul>                                                                                                                                                      |
| Q3 2022 | U Store Portfolio (Ireland and Northern Ireland) | <ul style="list-style-type: none"> <li>• Heitman acquires 6 properties, 1 development site and 1 development land plot for a reported €182m.</li> <li>• These assets were located along the eastern coast of Ireland and Northern Ireland including 4 assets in Dublin.</li> <li>• Adjusted EBITDA of €6.9m for 2021</li> <li>• NIY at 3.91% based on a €17m development sites carve out.</li> </ul>                                                                                  |
| Q2 2022 | Sure Store                                       | <ul style="list-style-type: none"> <li>• Legal &amp; General acquires 4 Sure Store properties and leases them back on a management agreement.</li> <li>• Price was undisclosed.</li> </ul>                                                                                                                                                                                                                                                                                            |
| Q2 2022 | Storagebase                                      | <ul style="list-style-type: none"> <li>• Storage King acquires Storagebase’s 4 assets.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                     |
| Q1 2022 | Lok n’ Store                                     | <ul style="list-style-type: none"> <li>• Sale and manage back agreement.</li> <li>• Storage Trading LLP acquires 4 Lok n’ Store properties.</li> </ul>                                                                                                                                                                                                                                                                                                                                |

|                |                               |                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                               | <ul style="list-style-type: none"> <li>Estimated sale price of £40m</li> <li>No EBITDA numbers available.</li> </ul>                                                                                                                                                                                                                                                                                |
| <b>Q1 2022</b> | <b>Project MARS</b>           | <ul style="list-style-type: none"> <li>The McCarthy portfolio (4 stores). Two immature sites.</li> <li>An estimated EBITDA of £1.5m</li> <li>The sale represents a NIY of approximately 5.50% with stabilisation assumptions adjusting for less mature sites in the portfolio.</li> </ul>                                                                                                           |
| <b>Q1 2022</b> | <b>Titan Portfolio</b>        | <ul style="list-style-type: none"> <li>HIG acquires 5 trading sites from Titan self storage.</li> <li>Price was undisclosed.</li> </ul>                                                                                                                                                                                                                                                             |
| <b>Q4 2021</b> | <b>Storage Team Portfolio</b> | <ul style="list-style-type: none"> <li>Mayfair Capital purchases the Storage Team and it's 2 assets.</li> <li>Price was undisclosed.</li> </ul>                                                                                                                                                                                                                                                     |
| <b>Q3 2021</b> | <b>A &amp; A Portfolio</b>    | <ul style="list-style-type: none"> <li>Shurgard purchases the A&amp;A portfolio</li> <li>5 mature stores for £37m</li> <li>Estimated 3.5% NIY.</li> </ul>                                                                                                                                                                                                                                           |
| <b>Q2 2021</b> | <b>Rent A Space</b>           | <ul style="list-style-type: none"> <li>Heitman acquires Rent A Space in Shrewsbury for an undisclosed sum.</li> </ul>                                                                                                                                                                                                                                                                               |
| <b>Q2 2021</b> | <b>Blackpool Self Store</b>   | <ul style="list-style-type: none"> <li>Storage King acquires Blackpool Self Store for £3.6m.</li> </ul>                                                                                                                                                                                                                                                                                             |
| <b>Q4 2020</b> | <b>Space Station, UK</b>      | <ul style="list-style-type: none"> <li>Heitman acquires .A Space Station in the off-market sale</li> <li>10 assets across London and the south east</li> <li>Price was undisclosed.</li> <li>The deal includes five assets that were owned by Space Station, totaling 244,000 sq ft across greater London and five managed assets comprising 130,000 sq ft across London and Birmingham.</li> </ul> |

- Whilst this activity suggests a developing maturity of the sector, limited public information exists as to the specifics of each deal, complicated further by the fact the majority of deals were corporate transactions. However, C&W did have an involvement in or do have some information in relation to the majority of the deals listed. In general terms, they support our current opinions of yield levels within the sector.
- In our opinion, the nature of the market over the last few years has largely been due to a lack of sellers of quality stock rather than a shortage of potential purchasers. Understandably, there have been few sellers in a market which is generally believed to be expanding with those who have wished to exit having sold out via a corporate deal rather than sales of individual properties. In addition, there have been few potential vendors who are under significant pressure to sell and the sector has generally performed robustly in terms of revenue generation and banking covenant measurements versus many other Property sectors.
- It is our view that there would be good interest if further high-quality properties were to become available. It is interesting to note that a number of the major transactions in recent years have all been to US based funds or pension funds:

- Nuveen acquired the Swedish portfolios of both Green Self Storage (12 assets) and 24 Storage (29 assets) in 2021 for a collective €220 million.
  - Heitman acquired a UK portfolio of six self storage properties from Space Station in Q4 2020 for an undisclosed sum.
- We have spoken to a number of private equity funds and venture capital firms who are interested in the sector but who have found little opportunity to invest in reasonable quality existing stock in any scale. Their preferred route is to own the property and have a good quality operator to manage the facilities. However, few of them are willing to go through the development process and build an operating platform and in any event, the whole lifespan from site purchase, through the development stage and then the early day cashflow losses to a mature trading position is beyond the timeframe for many of these types of investors
- With that said however, Stor-Age (Storage King) announced a €110m JV partnership with the Moorfield Group which aims to build an initial €55-€110m (£50-100m) portfolio of modern, tech-enabled high-profile self storage assets in the UK. Moorfield will be the majority investor, on behalf of its Moorfield Real Estate Fund IV. The joint venture aims to develop self storage assets with a focus on London and the South East.
- For poorer quality secondary or tertiary product, we perceive that there are potential vendors out there and various portfolios have been offered to the market and transacted in the past. However, for this type of product the level of interest on the buyer side is harder to predict and we suspect there could remain a mismatch between potential buyers and sellers in terms of pricing.
- Our valuation advice should be considered in the context of these observations with the conclusion that it remains difficult to accurately predict self storage values in current market conditions.

## **APPENDIX 4 – GENERAL VALUATION ASSUMPTIONS**

## GENERAL VALUATION 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 have made certain Assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, the Valuation that C&W have not verified as part of the valuation process but rather, in accordance with the definition in the RICS Red Book, have treated 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.

These are the Assumptions upon which our Valuations and Valuation Reports are normally prepared and form an integral part of our instruction together with our related engagement letter. Unless otherwise referred to in this Valuation Report these Assumptions apply to the valuations that are the subject of this Valuation Report.

### 1. Areas

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Where C&W measures and calculates the floor areas, measurement will be in accordance with the current edition of the RICS Professional Statement RICS Property Measurement and RICS Code of Measuring Practice.

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

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.

### 2. Title

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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 have made 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 have made 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 have made 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 have made the Assumption that both landlord and tenant have abided by the terms of the leases and that the layout of the accommodation is in accordance with that permitted in the leases. C&W have made a further Assumption that the leases contain 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.

### 3. Tenancies and Leasing

---

C&W's opinion of the Market Value is subject to existing leases of which the Client or its advisors have made C&W aware but otherwise reflects an Assumption of vacant possession. Where C&W has undertaken to read the leases and related documents provided to it, C&W have made an Assumption that copies of all relevant documents have been 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 have made 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 have made 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 have not taken account of any leases between subsidiaries unless C&W states otherwise in the Valuation Report.

C&W have not undertaken investigations into the financial strength of any tenants unless otherwise referred to in the Valuation Report. Unless C&W have become aware by general knowledge, or have been specifically advised to the contrary, C&W have made 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 reflects 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 have taken into account any information the Client or its advisors provided concerning tenants' improvements. Otherwise, if the extent of tenants' alterations or improvements cannot be confirmed, C&W have made 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 have made 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.

### 4. 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 has not be able to issue a Valuation Report except on the Special Assumption that the subject 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 includes 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 has instructed C&W otherwise, the Valuation is 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 have a history of flooding, C&W have made 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 includes 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.

## 5. Mineral Rights

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C&W have made an Assumption that any mineral rights are excluded from the Properties.

## 6. Condition of Structure and Services, Deleterious Materials and Ground Conditions

---

Due regard has been paid by C&W to the apparent general state of repair and condition of the Properties, but a condition or structural survey has not been undertaken, nor have woodwork or other parts of the structure which are covered, unexposed or inaccessible, been inspected. Therefore, C&W are unable to report that the Properties are structurally sound or are free from any defects. C&W have made 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 have not arranged 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 is unable to confirm that the Properties are free from risk in this regard. For the purposes of the Valuation, C&W have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

C&W have not carried out an asbestos inspection and did not act as an asbestos inspector in completing the valuation inspection of Properties that may fall within the Control of the Asbestos at Work Regulations 2012. C&W have not made 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 have made 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 have been undertaken by C&W to certify that the sites are free from any defect as to foundations. C&W have made 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 have made 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 have been carried out by C&W as to electrical, electronic, heating, plant and machinery equipment or any other services nor have the drains been tested. However, C&W have made 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.

## 7. Statutory Requirements and Planning

---

Save as disclosed in a Certificate of Title, or unless otherwise advised, C&W have made 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 have also made 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 have made the Assumption that the Properties comply 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 have made 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 came into force in April 2018 and their effect is to make it unlawful to rent out a premises with an EPC rating which, according to Government proposals issued in February 2015, falls below an E rating. C&W have asked the bank 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 have not been provided with an up to date EPC rating C&W have made the Assumption that the subject Properties meet the minimum requirements to enable them to be let after April 2018.

In any instance where C&W is valuing Properties with the benefit of a recently granted planning consent, or on the Special Assumption that planning consent is granted, C&W have made 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 they are 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.

## 8. Information

---

C&W have made 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 that have been valued is both full and correct. C&W have made 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 titles 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 have inspected comparable properties

## 9. Landlord and Tenant Act 1987

---

The Landlord and Tenant Act 1987 (the "**Act**") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in a building where more than 50% of the floor space is in residential use. Where this is applicable, C&W have made an Assumption that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold or head leasehold interest, and therefore disposal into the open market is unrestricted.

## 10. Leasehold Reform Housing and Urban Development Act 1993 and Leasehold Reform Act 1967

---

If C&W value the freehold or leasehold interest in either blocks of flats or in houses, the following applies. The Leasehold Reform Housing and Urban Development Act 1993, as amended by the Commonhold and Leasehold Reform Act 2002, or Leasehold Reform Act 1967, or Leasehold Reform (Ground Rent) Act 2022 (collectively the "**Act**") give certain rights to residential tenants to acquire either the freehold/leasehold interest in any building which qualifies under the Act, or the right to lease extension. If this is applicable, C&W have made an Assumption that no residential tenants have elected under the provisions of that Act to acquire the freehold or head leasehold interests, nor have they elected to acquire a lease extension, unless the Client and/or its advisers specifically inform C&W to the contrary.

## 11. Properties to be Developed or in the Course of Development or Requiring Repair / Refurbishment and Recently Completed Developments

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Where C&W have undertaken a Valuation of the completed Properties, this has been 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 have also made an Assumption that a duty of care and all appropriate warranties are available from the professional team and contractors, which will be assignable to third parties.

## 12. New Build Residential Property

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Where a vendor has not provided C&W with a "UK Finance Disclosure Form", C&W have made an Assumption that there have been no sales incentives and the Valuation Report includes advice that the Client instructs its legal adviser to investigate this aspect.

## 13. Trade Related Property

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Valuation Practice Guidance Application 4 (VPGA 4) of the RICS Red Book sets out examples of properties that are normally bought and sold on the basis of their trading potential. The essential characteristics of such a property is that it has been designed or adapted for a specific use and the value of that property reflects its trading potential. VPGA 4 relates only to the valuation of an individual property that is valued on the basis of trading potential. Where C&W is instructed to value a trade related property or business, C&W will apply the principles of VPGA 4 unless explicitly instructed to do otherwise and confirmed as appropriate in the Valuation Report.

The valuation approach for a trade related property as a fully equipped operational entity necessarily requires an Assumption that on the sale or letting of the property, the trade inventory, licences etc required to continue trading are available. C&W's valuation is provided on this basis unless agreed to the contrary and referred to as appropriate within our Valuation Report.

## **APPENDIX 5 - ENGAGEMENT LETTER**

Padlock Capital Partners  
4300 E Camelback Rd, Ste 450  
Phoenix, AZ USA 85018

|        |                              |
|--------|------------------------------|
| Email  | Philip.Macauley@cushwake.com |
| Direct | +44 (0)20 7152 5844          |
| Mobile | +44 (0)7584 857 149          |

CIBC World Markets Inc.  
161 Bay St, Brookfield Place  
Toronto Ontario, M5J 2S8 Canada

|         |     |
|---------|-----|
| Our Ref | TBC |
|---------|-----|

|            |                     |
|------------|---------------------|
| <b>FAO</b> | <b>Richard Owen</b> |
|------------|---------------------|

10 March 2023

Dear Client

**CINCH SELF STORAGE - HAVERHILL & NEWBURY**

We are delighted that you have chosen Cushman & Wakefield to work with you in relation to the above matter. The schedule to this letter details the services we will provide, the basis of our appointment, our Fees and anticipated expenses, together with other information relevant to our services (the "**Services Schedule**") and together with this letter, the "**Engagement Letter**").

Enclosed are our standard terms of business containing exclusions and limitations on our liability and detailing our respective obligations (the "**Terms of Business**") which, together with the Engagement Letter, comprise the terms of our engagement (the "**Engagement**"). Please take a moment to check that you are happy with the contents of the Engagement Letter, the Services Schedule and the Terms of Business and understand the basis of the Engagement.

I will have overall responsibility for the provision of our services to you, assisted by any other professional staff as it may be appropriate for us to involve. I will be your first point of contact on this matter.

I should be grateful if you would return a signed and dated copy of the Engagement Letter as soon as possible to confirm that you accept the basis of the Engagement. Please be aware that your continuing instructions in relation to this matter will amount to your acceptance of the terms of the Engagement. If there is any matter that requires clarification, please do not hesitate to contact me.

Yours faithfully



**Philip Macauley MRICS**  
Partner  
**Cushman & Wakefield Debenham Tie Leung Limited**

**Acceptance of Cushman & Wakefield Engagement Letter and Terms of Business**

I have read the Engagement Letter dated 22 February 2023 in respect of Cinch Self Storage - Haverhill & Newbury (including the Services Schedule and incorporating the Cushman & Wakefield Terms of Business (Version 3.2 – April 2021) and hereby accept the terms and confirm this Engagement.

---

**For and on behalf of Padlock Capital Partners**

Name: \_\_\_\_\_ John Stevenson \_\_\_\_\_

Signature:  \_\_\_\_\_

Position: \_\_\_\_\_ Chief Operating Officer \_\_\_\_\_

Date: \_\_\_\_\_ 29.02.2023 \_\_\_\_\_

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**For and on behalf of CIBC World Markets Inc.**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

# Valuation Services Schedule

## 1 Property Details

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

The Properties are held by Cinch Self Storage ("**Company**").

## 2 Client

- (i) Padlock Capital Partners, and (ii) CIBC World Markets Inc.

(each a "**Client Party**" and together, the "**Client**" and "**Client Parties**")

- 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 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 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.

Up to five (5) additional parties may become a Client Party after the time of the Engagement being finalised.

In this respect, the cap on liability provisions referred to in section 9.5 above shall be agreed by the lenders collectively and shall apply to the maximum liability of C&W in respect of any and all claims that maybe brought by the Client and/or any lender(s) arising out of, under or in connection with this Engagement.

Without prejudice to the foregoing, prior to any disclosure of the Valuation Report, the Client must also inform any additional parties intending to become a Client Party, of the terms of the Engagement by providing them with a copy of the entire Engagement including attachments thereto, with a view to such members becoming Client Parties for the purpose of the Engagement. In this respect, C&W and the Client agree that C&W shall not be so engaged by any party other than the Client for whom it will act exclusively, and that any third party or additional lender or party shall not be deemed to be a Client Party unless such party has:

- i) satisfied such internal checks as are reasonably necessary for that party to be onboarded as a client of C&W, (including, but not limited to, KYC, AML and conflict checks); and
- ii) agreed in writing to be bound by the terms of this Engagement as a Client Party, by signing an Accession Letter substantially in the form set out at Appendix 1.

### 3 Addressee

The Valuation Report will be addressed to the Client.

### 4 Client Instructions

The Client has instructed C&W to:

- a. Undertake a valuation of the legal interest(s) in the Properties described in the Property Schedule ("**Valuation**") as at the date of the report (the "**Valuation Date**").
- b. 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 financial reporting and management purposes

### 5 Basis of Valuation

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

#### 5.1 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"*

#### 5.2 Software

The valuation will be undertaken using a bespoke C&W model using Microsoft Excel.

#### 5.3 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 will not make any Special Assumptions.

### 6 Scope of Services

Included in the Services are:

#### 6.1 Valuation Report

Providing a Valuation Report that will be prepared in English. C&W will provide one electronic copy of the Valuation Report and, if requested, one signed hard copy. Where the Valuation Report is required to contain site plans these will be based on extracts of the Ordnance Survey or other maps showing, for identification purposes only, C&W's understanding of the extent of title based on site inspections or copy title plans supplied to C&W. The Client should not rely on C&W's plans to define boundaries.

The Valuation Report will include copies of C&W's valuation summary.

## 6.2 Currency

Providing a Valuation in UK Pounds Sterling (£).

## 6.3 Inspections

Internal inspections of the Properties and external inspections from ground level.

## 6.4 Floor Areas

As the Properties are trading entities where the value is assessed by reference to trading potential, we will not undertake a measured survey.

## 6.5 Tenancies & Leasing

Relying on tenancy information provided, subject to the provisions of section 10.3 of the Assumptions. For the avoidance of doubt, C&W will not read copy leases.

## 6.6 Environmental Matters (including Flooding)

Reviewing the relevant Local Authority websites regarding environmental matters, including contamination and flooding and reviewing (subject to the provisions of section 10.4 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 section 10.4 of the Assumptions).

## 6.7 Sustainability – Environmental, Social and Governance (ESG) factors

Taking into account the sustainability features of the Property as observed from inspection.

Reviewing information supplied pertaining to the environmental and energy performance of the Properties, and/or referring to public EPC registers in cases where information is not supplied, as far as these impact on value.

For the avoidance of doubt, C&W will not undertake a sustainability or energy assessment of the Properties, which would be the responsibility of a suitably qualified consultant.

Reviewing information provided on the cost of upgrade works relating to environmental performance.

Reviewing sustainability related clauses within lease documentation.

## 6.8 Title

Reading a Certificate of Title where this is provided to C&W and reflecting its contents in the Valuation (subject to the provisions of section 10.7 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.

## 6.9 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 section 10.8 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.

## 6.10 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.

## 7 Basis of Appointment

C&W confirms that:

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.

The Valuation will be the responsibility of Philip Macauley MRICS, who is a member of the RICS Valuer Registration Scheme and 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 "**External Valuer(s)**" (as defined in the RICS Red Book) qualified for the Purpose of Valuation.

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.

**7.1** C&W has had no previous, recent or current involvement with the Properties and C&W does not anticipate any future fee earning relationship with the Properties. Therefore, C&W does not consider that any conflict arises in preparing the Valuation requested.

## 8 Fees and Expenses

C&W's Fee for undertaking the Services is £13,900.

The Fee excludes VAT which will also be payable pursuant to Clause 3 of the Terms of Business.

The Fee includes the provision of the copies of the Valuation Report referred to under 'Scope of Services'. Where additional hard copies are required, a charge may be made reflecting the time spent and costs incurred.

C&W's invoice will be addressed to the Client. If C&W is requested to re-address an invoice after it has been issued, C&W reserves the right to make an administrative charge.

Invoices for Fees and, where appropriate, expenses shall be issued upon completion of the Valuation Report.

Where C&W undertakes to read reports prepared by third parties as part of the Engagement (such as Reports on Title or Structural Surveys), if these reports are provided some time after C&W has submitted the Valuation Report, and C&W is required to review and/or change the Valuation and/or advice in the

light of the contents of any such reports, C&W reserves the right to charge an additional fee appropriate in relation to the time involved.

In the event that C&W agrees to re-address the Valuation Report to another party or other parties or permit reliance upon it by another party or other parties, C&W reserves the right to charge additional fees appropriate to the additional work involved and any extension of C&W's liability.

Should the Property Schedule at Appendix 1 change so materially and/or substantially over time to that envisaged at the start of the Engagement, the parties agree to discuss with one another in good faith what reasonable adjustments may be required to the Fees and how Fees are charged.

## 9 Special and Additional Terms

### 9.1 Use of Valuation Report

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

### 9.2 Areas

Where C&W measures and calculates the floor areas, measurement will be in accordance with the current edition of the RICS Professional Statement RICS Property Measurement.

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

### 9.3 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.

### 9.4 Limitations

There are no limitations.

### 9.5 Limitation of Liability

The cap on C&W's liability is in accordance with Clause 11.3 of the Terms of Business.

Where more than one value basis is adopted, the Market Value of the Properties shall be the Market Value without Special Assumptions; or, if this basis is not included in the Valuation Report, the Value basis most similar to the Market Value without Special Assumptions.

Where the Services relate to more than one property, C&W's maximum liability in respect of an individual property shall be in the same proportion to the total aggregate liability as such individual property's reported value is to the aggregate reported value.

In the event C&W provides an update to the Valuation Report ("Update Report"), the Update Report, unless otherwise set out in the terms governing the Update Report, is subject to the same original instructions, assumptions and limitations that apply to this Valuation Report and C&W's aggregate limit of liability set out in this Engagement shall apply in aggregate to this Valuation Report and to the Update Report.

## 9.6 Disclosure

C&W will not consent to publication or disclosure of the Valuation Report unless, where relevant, it incorporates adequate reference to the Special Assumptions and/or Departures from the RICS Red Book referred to in this Services Schedule.

Clause 8 of the Terms of Business states that the provision of the services is for the Client's benefit only. If C&W is subsequently asked to extend responsibility to other parties, then there will be an additional fee payable, to be agreed, to cover C&W's additional time costs, indemnity and insurance liabilities subject to a minimum of £500, plus VAT.

Notwithstanding the above, the Client is authorised to file the Valuation Report on the Canadian SEDAR and/or as part of the Canadian Securities Administration regime, in relation to any public security filing requirements arising from receipt of the Valuation Report, subject to such filing being made on a non-reliance basis to others without extending C&W's exposure to others beyond that set out within these Engagement terms.

## 9.7 Syndication

Not used.

## 9.8 Age of Building

If C&W states the age of a building in the Valuation Report, this will be an estimate and for guidance only.

## 9.9 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.

## 9.10 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.

## 9.11 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.

## 9.12 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.

### 9.13 Defective Premises Act 1972

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

### 9.14 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.

### 9.15 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. Costs associated with the transaction, including any taxes, legal fees and other expenses, would be payable by the purchaser in addition to the figure reported.

Furthermore, 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.

### 9.16 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.

### 9.17 Monitoring

The compliance of the valuations undertaken in accordance with the RICS Red Book may be subject to monitoring by the RICS under its conduct and disciplinary regulations.

### 9.18 Valuation Components

The components of C&W's valuation calculations (such as future rental values, cost allowances, or void periods) may only be appropriate as part of the valuation calculations and should not be taken as a forecast or prediction of a future outcome. The Client should not rely on any component of the valuation calculations for any other purpose.

### 9.19 Trade Related Property

Valuation Practice Guidance Application 4 (VPGA 4) of the RICS Red Book sets out examples of properties that are normally bought and sold on the basis of their trading potential. The essential characteristics of such a property is that it has been designed or adapted for a specific use and the value

of that property reflects its trading potential. VPGA 4 relates only to the valuation of an individual property that is valued on the basis of trading potential. Where C&W is instructed to value a trade related property or business, C&W will apply the principles of VPGA 4 unless explicitly instructed to do otherwise and confirmed as appropriate in the Valuation Report.

The valuation approach for a trade related property as a fully equipped operational entity necessarily requires an Assumption that on the sale or letting of the property the trade inventory, licences etc required to continue trading are available. C&W's valuation is provided on this basis unless agreed to the contrary and referred to as appropriate within our Valuation Report.

## 10 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.

### 10.1 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.

### 10.2 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.

### 10.3 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 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 Properties are 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.

## 10.4 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 but not limited to the risk of flooding, mining or quarrying, radon gas, and the proximity of high voltage electrical equipment 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 have 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.

In the absence of any information to the contrary, C&W will make the assumption that invasive species such as Japanese Knotweed are not present at the Properties.

High voltage overhead power cables and pylons may be located within or in close proximity of the Properties. The possible effects of electromagnetic fields have been the subject of media coverage. The National Radiological Protection Board (NRPB), has advised that there may be a risk in specified circumstances to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Unless we determine otherwise, C&W will make an Assumption that there is no material impact resulting from the presence of high voltage overhead power cables and pylons at the Properties.

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.

## 10.5 Sustainability

Where C&W is provided with third party assessments and reports relating to sustainability and energy/environmental performance, C&W will rely on such assessments and reports and will not critically evaluate them or make separate enquiries.

If C&W's enquiries or any information supplied to us does not conclusively prove that the Property complies with Minimum Energy Efficiency Standards (MEES), then C&W may not be able to issue a Valuation Report except on the Assumption that the Property is compliant or exempt. In certain circumstances, the making of such an Assumption may be unreasonable 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 establish the extent of any non-compliance along with costs to achieve compliance, and that subsequently the Valuation should be reviewed.

Where C&W's enquiries establish that a Property does not comply with MEES, C&W will request information on costs to achieve compliance. Where cost figures are provided, we will assume that they have been prepared by suitably qualified professional advisers. Unless specifically instructed to the contrary in writing, C&W will rely on such figures and information and the Client should make this fact known to such advisers.

Where C&W's enquiries establish that a Property does not comply with MEES but information on costs to achieve compliance is not provided, then C&W may not be able to issue a Valuation Report except on the Special Assumption that the Property is assumed to be compliant or exempt. 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 a Property is to be developed or in the course of development, or requiring repair/refurbishment or a recently completed development, C&W will assume that any projected environmental assessment or rating, such as EPC, BREEAM, LEED, WELL or other, is achieved. C&W will not undertake verification of whether the proposed development works will be sufficient to meet any such rating, and will instead rely on third party assessments provided by a suitably qualified consultant.

## 10.6 Mineral Rights

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

## 10.7 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 outgoing. 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.

## 10.8 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 are 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.

The current versions of the BRE publication *"List of excluded materials – a change in practice"* and British Council for Offices publication *"Good Practice in the Selection of Construction Materials"* make recommendations for good building practice and whether construction materials are considered to be deleterious, hazardous or harmful ("**Prohibited Materials**"). C&W will not arrange for investigations to be made to determine whether any Prohibited Materials have been used in the construction or any alterations of the Properties. C&W will not be able to confirm that the Properties are free from risk to health and safety or the fitness for purpose (suitability and durability) of any construction works, nor will C&W be able to confirm that the nature or application of any materials do not contravene any relevant British Standard or EU equivalent. For the purposes of the Valuation, C&W will make an Assumption that the Properties have been constructed in accordance with good building practice and any investigation of the Properties by a Chartered Building Surveyor would not reveal the presence of Prohibited 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 Properties 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.

C&W will consider any existing reports or documents relating to the presence of Prohibited Materials besides asbestos providing that these are made available. C&W will offer an opinion as to the adequacy and scope of such documents or reports but will not be able to verify their findings or give specific advice as this falls outside our scope of expertise. Such tasks will fall within the remit of the Client appointed relevant specialists.

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.

## 10.9 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 comply with all relevant statutory requirements.

Where the Properties are trading entities C&W shall make the Assumption that all of the necessary licences, registrations and permits required for its ongoing operation are in place and valid unless expressly stated otherwise.

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 them to be let 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 they are 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.

## 10.10 Information

Notwithstanding the Terms of Business, C&W will make an Assumption that the information provided by the Client and/or its professional advisers 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.

Where C&W is provided with third party assessments and reports, if it transpires the information in such assessments and reports is not accurate then this may have a material impact on the Valuation reported.

## 10.11 Trade Related Property

The valuation approach for a trade related property as a fully equipped operational entity necessarily requires an Assumption that on the sale or letting of the Properties, the trade inventory, licences etc required to continue trading are available. C&W's valuation will be provided on this basis unless agreed to the contrary and referred to as appropriate within our Valuation Report.

## 11 Information requested from Client

Please provide the following information:

- Any available sustainability information on the Properties, as listed in Appendix 2.

We have requested any additional information via separate correspondence.

## Appendix 1 - Property Schedule

The scope of this Engagement will further extend or reduce, to any additional Properties acquired or disposed of by the Client, where the parties both agree that such Properties should, or should no longer, fall into scope, at a later point in time over the term of the contract. Upon each and every such amendment, the parties will agree an updated Appendix 1 – Property Schedule in writing, appending a copy of these Engagement terms in the process, to create a contemporaneous record of the Properties covered as part of the Engagement as a whole.

| PROPERTY                                                            | INTEREST | PROPERTY TYPE |
|---------------------------------------------------------------------|----------|---------------|
| Cinch Self Storage, Newspaper House, Faraday Road, Newbury RG14 2DW | Freehold | Self Storage  |
| Cinch Self Storage, Haverhill, Suffolk                              | Freehold | Self Storage  |

## Appendix 2 - Property Information Request Form: Sustainability

### Building Structure

- Age and main structure of building (e.g. concrete frame, steel frame etc)
- Please provide EPC certificates for the Property.
- Any other certifications on the building (e.g. BREEAM, LEED, BER rating, nZEB, Smart-score)
  - Are the above certifications related to external structure and/or tenant's internal fit out?
- Are there any energy efficient features/ renewables on site? (e.g. heat pumps, solar photovoltaic panels, solar thermal panels, heat recovery, battery storage, wind energy, LED lighting)
- Are there any other resource efficiency/environmental features on site? (e.g. water recovery, electric car chargers)
- Are there any biodiversity features on the site/structure? (e.g. green roof/living walls, urban green infrastructure/ hives/ planting etc.)
- Are there any other energy/sustainable features noted as part of the design and specification of the building? (e.g. passive design)
- Are there bicycle spaces?

### Tenant Occupation of the Asset

- Is there a lease contract with an environmental clause in place for the asset if leased?
  - What are the green components of this lease contract?
  - Is it focused on data sharing on energy consumption or does it include targets?
- Are there any environmental management policies within the asset?
- Is it WELL rated for the occupants? What are the main features driving the WELL rating? (e.g. quality of natural light, air quality, temperature control, noise reduction, security, access to services, users with disabilities, tenant amenities such as showers/gym/green areas/break out spaces/wellness studio)

### Occupancy and data capture

- Is there data sharing between occupier and asset owner/management company on the energy consumption and key metrics for the building assets? (e.g. water consumption, air quality, energy use – electricity/gas, CO2 emissions)
- If yes – can this data be made available to the valuer?

### Sustainable Asset Management

- Is there an asset or estate management plan for the improvement of the sustainability credentials of the asset? (e.g. Plan to monitor existing energy consumption/deliver improved energy consumption and water usage over a period of time.)
- Is any refurbishment/addition planned that will impact the building's energy/environmental performance?

## Appendix 3 - Definitions Schedule

### Trade Related Property:

|                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation Practice Guidance Application 4</b>                               | VPGA4 defines certain terms in accordance with the valuation of trade related property. The definitions are referred to below:                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Adjusted Net Profit</b>                                                     | This is the valuer's assessment of the actual net profit of a currently trading operational entity. It is the net profit that is shown from the accounts once adjustments for abnormal and non-recurring expenditure, finance costs and depreciation relating to the Properties themselves, as well as rent where appropriate, have been made. It relates to the existing operational entity and gives the valuer guidance when assessing the fair maintainable operating profit (FMOP).                                                        |
| <b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b> | This term relates to the actual operating entity and may be different from the valuer's estimated FMOP.                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Fair maintainable operating profit (FMOP)</b>                               | This is the level of profit, stated prior to depreciation and finance costs relating to the asset itself (and rent if leasehold), that the reasonably efficient operator (REO) would expect to derive from the fair maintainable turnover (FMT) based on an assessment of the market's perception of the potential earnings of the Properties. It should reflect all costs and outgoings of the REO, as well as an appropriate annual allowance for periodic expenditure, such as decoration, refurbishment and renewal of the trade inventory. |
| <b>Fair maintainable turnover (FMT)</b>                                        | This is the level of trade than a REO would expect to achieve on the assumption that the Properties are properly equipped, repaired, maintained and decorated.                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Market Rent</b>                                                             | This is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Whenever market rent is provided the 'appropriate lease terms' that it reflects should also be stated.                                                                                                         |
| <b>Market Value</b>                                                            | This is 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.                                                                                                                                                                                                                                                     |
| <b>Operational entity</b>                                                      | <p>An operational entity usually includes:</p> <ul style="list-style-type: none"> <li>the legal interest in the land and buildings</li> <li>the trade inventory, usually comprising all trade fixtures, fittings, furnishings and equipment, and</li> <li>the market's perception of the trading potential, together with an assumed ability to obtain/renew existing licences, consents, certificates and permits.</li> </ul> <p>Consumables and stock in trade are normally excluded.</p>                                                     |

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Personal goodwill (of the current operator)</b> | This is the value of profit generated over and above market expectations that would be extinguished upon sale of the trade related property, together with financial factors related specifically to the current operator of the business, such as taxation, depreciation policy, borrowing costs and the capital invested in the business.                                                                                                                       |
| <b>Reasonably efficient operator (REO)</b>         | This is a concept where the valuer assumes that the market participants are competent operators, acting in an efficient manner, of a business conducted on the premises. It involves estimating the trading potential rather than adopting the actual level of trade under the existing ownership, and it excludes personal goodwill.                                                                                                                             |
| <b>Tenant's capital</b>                            | This may include, for example, all consumables, purchase of the inventory, stock and working capital.                                                                                                                                                                                                                                                                                                                                                             |
| <b>Trade related property</b>                      | This is any type of real property designed for a specific type of business where the property value reflects the trading potential for that business.                                                                                                                                                                                                                                                                                                             |
| <b>Trading potential</b>                           | This is the future profit, in the context of a valuation of the Properties, which an REO would expect to be able to realise from occupation of the Properties. This could be above or below the recent trading history of the Properties. It reflects a range of factors (such as the location, design and character, level of adaptation and trading history of the Properties within the market conditions prevailing) that are inherent to the property asset. |

## Appendix 4 – Accession Letter

To: [INSERT DETAILS] .

[DATE]

Dear [ ]

**CINCH SELF STORAGE - HAVERHILL & NEWBURY** (the “Engagement”)

### Accession Letter

We refer to our engagement letter dated [DATE] addressed to Cinch Self Storage and others (the “Client”) in respect of the Engagement (the “Engagement”).

Cushman & Wakefield Debenham Tie Leung Limited (“C&W”, “we” or “us”) understand that you are intended to form part of the loan syndicate related to the Properties (as defined in the Engagement) and wish to accede to the Engagement as if you were an original party to the Engagement, as a Client.

Subject to you satisfying the internal checks (including, but not limited to, KYC, AML and conflict checks) that are reasonably necessary, we agree that you can accede to the Engagement on the terms of this letter and solely on the basis that you acknowledge and accept:

1. You have been provided with and have read and understood the attached Engagement, including the Services Schedule and the C&W Terms of Business (version 3.2 – April 2021) appended thereto;
2. You agree that you are and will continue to be bound by the obligations of the Client as set out in the Engagement (subject to paragraph 4 below) and you hereby give all representations and warranties given by the Client under the Engagement, in each case as if you were a party to the original Engagement as a Client;
3. Our liability to the Client and to any additional Client Parties signing Accession Letters, and any other parties taking reliance on the product of the Engagement, shall be in the aggregate as set out within the Engagement; and
4. You are severally liable under this Engagement for all obligations and liabilities of the Client (including, without limitation, obligations to pay any fees, costs and expenses or under any indemnity).

This letter and any issues, disputes or claims arising out of or in connection with it (whether contractual or non-contractual in nature such as claims in tort, from breach of statute or regulation or otherwise) shall be governed by, and construed in accordance with, the laws of England and Wales to the exclusion of all conflict of laws principles and rules. All disputes or claims arising out of or relating to this disclaimer shall be subject to the exclusive jurisdiction of the English courts to which the parties irrevocably submit.

Yours faithfully

Cushman & Wakefield Debenham Tie Leung Limited

Signed by [NAME OF AUTHORISED SIGNATORY]

for and on behalf of: [NAME OF PARTY ACCEEDING TO ENGAGEMENT]

.....

Date:

## 1. Client Engagement

- 1.1 The Client appoints C&W to provide services on these Terms of Business and the terms set out in the Engagement Letter. Each Engagement Letter forms a discrete contract incorporating the latest version of these Terms of Business that have been provided to the Client (together an/the **"Engagement"**).
- 1.2 The entire scope of the services to be provided as part of an Engagement (**"Services"**) is set out in the Engagement Letter. Nothing shall bind C&W to perform any role or function other than as is documented in the Engagement Letter.
- 1.3 The Client shall provide all necessary co-operation to enable each member of the C&W Group to discharge its obligations in respect of all Applicable Laws, particularly those pertaining to 'know your client', anti-money laundering and the prevention of other financial crimes, and data protection. Each of the Client and C&W agrees that it shall comply with all Applicable Laws in performing its obligations in relation to the Engagement.
- 1.4 C&W may sometimes require input from third parties to perform all or part of the Services. Where C&W intends to subcontract to a third party, C&W will seek the Client's prior consent, with such consent not to be unreasonably withheld, delayed or conditioned. The Client hereby consents to the use of other members of the C&W Group and C&W Affiliates to provide all or part of the Services, and no further notification need be given in relation to such use. C&W shall not be responsible for supervising or monitoring the performance of any third parties nor liable for their acts or omissions. Where C&W subcontracts, it shall be responsible for the actions or omissions of any subcontractor in its performance of any of the Services, except where C&W have appointed such party as agent on behalf of the Client.

## 2. Definitions and Interpretation

- 2.1 In an Engagement the following terms shall have the following meanings:
 

**"Applicable Law"** means all applicable laws, regulations, regulatory requirements and codes of practice of any relevant jurisdiction, as amended and in force from time to time;

**"C&W"** means the member of the C&W Group that is a party to the Engagement Letter;

**"C&W Affiliate"** means a third party licenced by a member of the C&W Group to trade using the Cushman & Wakefield brand;

**"C&W Group"** means DTZ Worldwide Limited (company number 9073572) and any of its subsidiaries (within the meaning of section 1159 of the Companies Act 2006);

**"C&W Materials"** means all those materials owned by C&W and its licensors, and all Intellectual Property Rights owned by C&W and its licensors, whether before or after the date of the Engagement, but excluding the Service Materials;

**"Claiming Party"** shall have the meaning given to it in Clause 17.1;

**"Client"** means the addressee(s) of the Engagement Letter and excludes any third party who pays or may be responsible for paying any part of the Fees;

**"Client Materials"** means all those materials owned by the Client and its licensors, and all Intellectual Property Rights owned by the Client and its licensors, but excluding the Service Materials;

**"DAC 6"** means the Council Directive 2011/16/EU (as the same has been amended from time to time);

**"DAC 6 ARN"** means the arrangement reference number issued under the UK DAC 6 Regulations (specifically, regulation 8(4)) and any similar such reference number issued under DAC 6 Regulations;

**"DAC 6 Regulations"** means any regulations, legislation or similar provisions issued in any EU Member State which give effect to the DAC 6, and including the UK DAC 6 Regulations;

**"Data"** has the meaning given to it in Clause 7.2;

**"Data Protection Laws"** means as applicable and binding on both parties:

- (a) the General Data Protection Regulation (EU) 2016/679 (or "GDPR") and/or any corresponding or equivalent national laws or regulations;
- (b) the Privacy and Electronic Communications (EC Directive) Regulations 2003 and/or any corresponding or equivalent national laws or regulations;
- (c) any laws or regulations implementing Directive 95/46/EC; and

any applicable laws replacing, amending, extending, re-enacting or consolidating any of the above Data Protection Laws detailed in sub-paragraphs (a) to (c) above from time to time;

**"Document"** has the meaning given to that term in Clause 8.1;

**"Engagement Letter"** means the letter issued by C&W to the Client and identified as the engagement letter, which shall set out particular Services to be provided by C&W together with other terms and conditions that shall form part of the Engagement. Where the context permits, documents cross referenced and/or attached to the Engagement Letter shall form part of it;

**"Fees"** means the amounts specified as payable in the Engagement Letter, or otherwise calculated in accordance with the Engagement Letter;

**"Intellectual Property Rights"** means patents, trade marks, design rights, applications for any of the foregoing, copyright, database rights, trade or business names, domain names, website addresses, whether registrable or otherwise, (including applications for and the right to apply for registration of any such rights), know how, methodologies, and any similar rights in any country whether currently existing or created in the future, in each case for their full term, together with any renewals or extensions;

**"Intermediary"** has the meaning given to that term in regulation 2 of the UK DAC 6 Regulations and Article 3(21) of the DAC 6;

**"Relief Event"** means: (i) any delay or failure by the Client or a person acting on its behalf to perform any obligation of the Client under an Engagement; (ii) the failure of any assumption set out in the Engagement Letter; and (iii) any other event specified in the Engagement Letter;

**"Reportable Cross Border Arrangement"** has the meaning given to that term in Article 3(19) of the DAC 6;

**"RICS"** means the Royal Institution of Chartered Surveyors;

**"Reportable Information"** has the meaning to that term in Article 8ab(14) of the DAC 6;

**"Services"** means the services to be provided to the Client by C&W as part of the Engagement, as specified in the Engagement Letter;

**"Service Materials"** means all those works, and all Intellectual Property Rights in works, that are created, provided, or which arise exclusively in the course of the provision of the Services to the Client;

**"Terms of Business"** means the terms set out in this document;

**"UK DAC 6 Regulations"** means The International Tax Enforcement (Disclosable Arrangements) Regulations 2020; and

**"Value Added Tax"** means value added tax as provided for in the Value Added Taxes Act 1994 and subordinated legislation made under it, or any similar sales or turnover tax in any jurisdiction.

- 2.2 Unless the context otherwise requires or the contrary intention appears, any reference to an enactment includes that enactment as amended or replaced, together with any subordinate legislation made under that or any other applicable enactment; and any reference to an English legal term includes, in respect of any jurisdiction other than England, a reference to what most nearly approximates in that jurisdiction to the English legal term.
- 2.3 Other than for notices to be given, references to "written" or "in writing" include e-mail. The words "including" and "in particular" and any similar words or expressions are by way of illustration and emphasis only and do not operate to limit the generality or extent of any other words or expressions. The words "subsidiary" and "holding company" have the meanings given in Section 1159 of the Companies Act 2006 (and Clause 2.2 shall not apply in relation to this sentence). The headings in these Terms of Business are for convenience only and do not affect their interpretation.

### 3. Fees, Expenses, and Payments

#### Fees

- 3.1 In consideration of the provision of the Services, the Client shall pay the Fees. The Fees, or the method of calculating them, shall be as set out in the Engagement Letter.
- 3.2 Fees stated shall be exclusive of Value Added Tax which, where applicable, shall be charged to the Client at the prevailing rate. The Client agrees to pay to C&W any Value Added Tax in relation to the provision of the Services provided that C&W has supplied a valid tax invoice as required by Applicable Law.
- 3.3 Where another member of the C&W Group or a C&W Affiliate provides all or part of the Services in accordance with Clause 1.4, the Client acknowledges and agrees that such other member of the C&W Group or C&W Affiliate may raise invoices for payment by the Client in accordance with the terms of this Engagement.

#### Expenses

- 3.4 The Client shall reimburse all out of pocket expenses and disbursements properly incurred by or on behalf of C&W in the performance of the Services ("**Expenses**") up to five hundred pounds (£500) per quarter. Before incurring any Expenses that would result in that limit being exceeded, C&W shall seek the Client's consent, in which case those further Expenses shall also be payable. Expenses may be invoiced at the same time as the Fees, or quarterly in arrears, at C&W's discretion.
- 3.5 The Client shall reimburse all marketing costs which shall, where relevant, be handled as follows:
- (a) C&W will inform the Client of any marketing costs proposed to be incurred on its behalf. C&W will

provide cost estimates for any initial marketing campaign in the Engagement Letter, and further proposals if additional marketing is required;

- (b) cost estimates will be best estimates or based on actual quotations from suppliers. Final costs may differ from estimates provided. Advertising and printing rates provided will be from the publishers' rate cards current at the date of the marketing proposals. The Client shall pay any additional sum charged by the suppliers for the correction of mistakes in artwork or other advertising material not caused by the suppliers. The individual printer or supplier's terms will apply to all Client work placed with it. All costs are gross and C&W will retain the usual trade discounts offered by newspapers, periodicals or other media suppliers;
- (c) the Client shall instruct all suppliers directly. In the event that C&W agrees to instruct any such supplier, C&W may require advance payment of anticipated costs to be incurred on the Client's behalf. Where the sum paid on account exceeds the actual costs incurred, such excess shall be repaid to the Client without interest once all invoices and accounts have been finalised and settled. Where the marketing costs exceed the sum paid, the Client shall pay the amount of any difference to C&W immediately on request; and
- (d) the Client shall reimburse all marketing costs incurred on its behalf as and when the costs are incurred, irrespective of completion of the transaction to which the Services relate.

#### Payment

- 3.6 C&W's invoices are payable, within fourteen (14) days from the date of each invoice. Without prejudice to C&W's other rights and remedies, C&W may charge the Client interest on any amounts due but which have not been paid within this period (whether before or after judgment) at three percent (3%) per annum above the Bank of England base rate from time to time. All such interest will be (i) payable from the due date until the date of actual payment in full, and (ii) compounded monthly and calculated on the basis of the actual number of days elapsed in the month, assuming a 30 day month and a 360 day year.
- 3.7 The Client shall pay all sums by electronic bank transfer to the C&W bank account detailed in the invoice. C&W is unable to accept payment by cash or cheque.
- 3.8 The Client shall pay all sums payable to C&W in relation to the Engagement without set-off and free of any deduction.
- 3.9 If the Client is required by Applicable Law to make any deduction from any payment then it shall increase such payment to ensure that C&W receives the same amount as it would have received if no deduction were required.
- 3.10 C&W may require payments to be made on account before commencing or completing all or part of the Services. In specifying on-account payments C&W may have regard to the nature and context of Services to be performed, and the likely timing and amounts of Expenses to be incurred.
- 3.11 C&W may, by giving written notice to the Client, suspend Service provision if any sum is not paid to C&W within the period specified at Clause 3.6, until all outstanding sums have been paid in full in cleared funds.
- 3.12 After completing an Engagement, C&W shall be entitled to keep any Client materials held by it while sums payable to it by the Client remain outstanding.

- 3.13 C&W may search the Client's record at credit reference agencies for the purposes of verifying the Client's identity and to assess whether the Client is able to fulfil its payment obligations in relation to the Engagement.

## Client Monies

- 3.14 C&W handles client monies in accordance with RICS rules and regulations.

## **4. Client Obligations**

- 4.1 The Client shall, as soon as reasonably practicable following a request, provide all information, assistance, approvals, and consents reasonably requested by C&W in relation to the performance of C&W's obligations in connection with the Engagement. The Client shall ensure that all information provided by or on behalf of the Client shall be complete and accurate in all material respects, and notify C&W as soon as reasonably possible on becoming aware that any information is incomplete, inaccurate or misleading.
- 4.2 In addition to any information requests made in accordance with Clause 4.1 above, the Client acknowledges and agrees to provide C&W with: (i) its DAC 6 ARN; and (ii) the Reportable Information, where an Engagement involves a Reportable Cross Border Arrangement.
- 4.3 The Client acknowledges and agrees that C&W: (i) is entitled to rely upon the completeness, accuracy, sufficiency and consistency of any information supplied to it by or on behalf of the Client; (ii) is not liable for any DAC 6 reporting obligations (whether direct or indirect) under the DAC 6 Regulations in relation to the Engagement, with such obligations remaining solely with the Client and their advisors; (iii) is not acting as an Intermediary under the DAC 6 Regulations; and (iv) shall have no liability for any inaccuracies contained in any information provided by or on behalf of the Client unless otherwise stated.
- 4.4 All estimations made by C&W are based on depth and quality of information provided by the Client and the Client shall not be entitled to assume that C&W has performed an inspection. The Client must take this into account in relation to all figures, calculations, and advice.
- 4.5 The Client shall check and confirm the accuracy and completeness of any property particulars prepared by C&W, and shall confirm that they are not misleading. The Client undertakes to notify C&W immediately if any particulars are or become inaccurate or incomplete.

## **5. Measurements**

- 5.1 Where C&W is required to measure a property, it will do so in accordance with applicable measuring practices relevant to the property. If the Client requires C&W to adopt a particular measuring practice, it shall specify the same in writing before work starts. The Client acknowledges that the floor areas contained in any report are approximate and if measured by C&W will be within a two percent (2%) tolerance either way. In cases where the configuration of the floor plate is unusually irregular or obstructed, this tolerance may be exceeded.
- 5.2 C&W is unable to measure areas to which it does not have access, in which cases floor area may be estimated from plans or by extrapolation. Where land or site areas are measured, all areas will be approximate and will be measured from plans supplied or Ordnance Survey plans, rather than being checked on site.

## **6. Confidentiality**

- 6.1 The Client consents to C&W announcing that it is providing or has provided the Services to the Client and using the

Client's name in publicity. However, C&W shall not publish any details of any proposed or actual transaction (other than those which are publicly available) without prior consent of the Client, such consent not to be unreasonably withheld, delayed, or conditioned.

- 6.2 The Client shall keep confidential and not disclose to any other person (whether before or after termination or expiry of the Engagement): (i) any information received by it in respect of the methodologies and/or technologies used by C&W in providing the Services; (ii) the details of the terms on which C&W provides the Services; (iii) any other information in respect of C&W's business activities which is not publicly available; or (iv) any Document (or part thereof) except as permitted in accordance with Clauses 8.2 and 8.3.
- 6.3 C&W shall, during the period commencing on the date of the Engagement and ending two (2) years following the earlier of the termination or completion of the Services, keep confidential and not disclose to any other person (whether before or after termination or expiry of the Engagement) any information in respect of the Client's business activities which comes into its possession as a consequence of C&W providing the Services and which is not publicly available.
- 6.4 A party shall not breach this Clause 6 by disclosing information, to the extent reasonably necessary:
- (a) where required to do so by Applicable Law or order of the courts, or by any securities exchange or regulatory or governmental body to which such party is subject or submits, wherever situated (whether or not the requirement for information has the force of Applicable Law); or
  - (b) to the professional advisers, insurers, auditors or bankers of such party.
- 6.5 C&W shall not breach this Clause 6 by disclosing information to: (i) members of the C&W Group or C&W Affiliates in connection with the Engagement; or (ii) consultants, sub-contractors or third party service providers, to the extent reasonably necessary to provide the Services.

## **7. Data Protection & Data Handling**

### Data Controller

- 7.1 Subject to Clause 7.2, each party will act as independent data controllers, or the equivalent under data protection law, in relation to the personal data they process in the course of the performance of the Engagement. Each party shall comply with its respective obligations under the data protection law for the duration of the Engagement. Neither party shall be responsible for any consequences resulting from the other party's failure to comply with data protection law in relation to personal data that it shares with the other party.

### Data Processor

- 7.2 To the extent that C&W receives personal data from the Client in respect of which the Client is a data controller in connection with, and for the purpose of, providing the Services (the "**Data**"), the Client appoints C&W as a data processor in relation to such Data and Clauses 7.3 to 7.5 (inclusive) shall apply.
- 7.3 In processing Data pursuant to an Engagement, C&W shall:
- (a) unless otherwise requested by the Client in writing, process the Data only to the extent, and in such manner, as is necessary for the provision of the Services, except where otherwise required by Data Protections Laws;

- (b) ensure that appropriate technical and organisational measures shall be taken to protect the Data from (i) accidental or unlawful destruction, and (ii) loss, alteration, unauthorised disclosure of, or access to, Data;
- (c) ensure that any person whom it authorises to process the Data shall be subject to an actionable duty of confidence;
- (d) only cause or permit Data processing to be sub-contracted to:
  - (i) sub-contractors in accordance with Clause 1.4;
  - (ii) members of the C&W Group and C&W Affiliates and each of their professional advisers, insurers, auditors and bankers; and/or
  - (iii) service providers appointed by a member of the C&W Group to support C&W's business administration and infrastructure (as identified [here](#) and updated from time to time)

who are committed, by means of a written contract with C&W, to protect the Data to the standard required by this Clause 7.

If the Client objects to any sub-processor under Clause 7.3(d) on reasonable grounds relating to the protection of personal data, then either C&W will not appoint the sub-processor or the Client may elect to suspend or terminate the Engagement upon written notice to be given not later than thirty (30) days after such objection has been notified to C&W in writing;

- (e) only cause or permit Data to be transferred outside the United Kingdom or the European Economic Area:
  - (i) to those persons identified under Clause 7.3(d) or otherwise with the Client's prior consent (not to be unreasonably withheld or delayed); and
  - (ii) taking such measures as are necessary to ensure the transfer is in compliance with Data Protection Laws (such as, but not limited to ascertaining that the recipient benefits from an EU Commission finding of adequacy of protection for personal data transferred from the European Union or has otherwise agreed European Union standard contractual clauses on data processing in countries outside the European Economic Area);
- (f) notify the Client without undue delay and provide reasonable information and cooperation on becoming aware of a breach of data security which would be notifiable under Data Protection Laws;
- (g) notify the Client without undue delay (and in any event provide reasonable and timely assistance to the Client (at the Client's expense)) to enable the Client to respond to: (i) any request from a data subject to exercise any of its rights under applicable data protection law; and (ii) any other correspondence, enquiry or complaint received from a data subject, regulator, or other third party in connection with the processing of the Data; and
- (h) C&W shall make available to the Client such information as is necessary to demonstrate its compliance with this Clause 7 and, if required, shall permit the Client (or its appointed third party auditors

who are subject to strict obligations of confidentiality and whose identity has been agreed with C&W) to conduct an audit to confirm its compliance, provided that the Client gives reasonable notice of its intention to audit, conducts its audit during normal business hours, and takes all reasonable measures to prevent unnecessary disruption to C&W's operations. The Client may not exercise this right more than once in any twelve (12) month period except as required by instruction of a competent data protection authority.

7.4 If requested by Client, C&W shall provide reasonable cooperation to the Client (at Client's expense) in connection with any data protection impact assessment and any consultation with the Client's data protection authority that may be required under applicable Data Protection Laws, or any other applicable data protection law in the Client's jurisdiction.

7.5 Unless otherwise instructed in writing by the Client to destroy or return the Data (or any copies thereof) on termination of the Engagement, C&W will keep its Engagement files, including the Data, for seven (7) years after issue of C&W's final invoice. The Client consents to the deletion and destruction of all Engagement files upon the expiry of that period unless the Client has requested in writing the return of Client papers or documents during that period. C&W shall not be liable for any loss arising out of or in connection with the destruction of documents occurring more than seven (7) years after the date of final invoice. C&W shall be entitled to retain Data to the extent required by any applicable law.

#### Data Handling

7.6 The Client shall use all reasonable procedures to seek to ensure that any materials provided to C&W in any electronic format are virus free and shall be responsible for using appropriate firewalls and anti-virus software. The Client shall not disclose any special categories of data to C&W except by express written agreement.

7.7 A copy of C&W's Privacy Notice can be found [here](#).

#### Freedom of Information

7.8 Where the Client is a public authority for the purposes of the Freedom of Information Act 2000 ("FOIA") as amended from time to time, the Client shall notify C&W of that fact at the start of the Engagement. The Client shall notify C&W within five (5) business days of receiving a request pursuant to the FOIA requesting information which relates to the business arrangements between C&W and the Client and/or any information C&W has provided to the Client at any time (whether or not in connection with the Engagement). In recognition of the fact that C&W may be providing the Client with confidential or commercially sensitive information, the Client agrees to consult with C&W and take into account C&W's views on all such requests, giving C&W reasonable notice to respond, before making any decision on whether any particular information should be disclosed.

7.9 The Client shall be responsible for C&W's reasonable and properly incurred charges in producing any documentation which the Client requires in order to comply with a request for disclosure under the FOIA. For the avoidance of doubt, the Client, not C&W, shall liaise with such third party.

## **8. Documents and Reliance**

8.1 C&W will take reasonable care in the preparation of any research, data, report or advice ("Documents") provided as part of the Services. Any opinions expressed in them

constitute C&W's judgement, and data upon which this judgement is based are believed to be correct as at the date of the Documents (but may be subject to change during the life of the project and beyond and as new information becomes available). C&W reserves the right to change the underlying data, and its opinions, without prior notice, in the light of revised market opinion and evidence, but shall not be required to update any Document already provided.

- 8.2 Subject to Clause 8.3, the provision of the Services is for the Client's benefit only and no part of any Document produced by C&W for the Client shall be disclosed to any third party without the prior written consent of C&W. C&W shall not be liable to any third party placing reliance upon any such Document.
- 8.3 The Client may permit other persons to use C&W's Documents only with C&W's prior written consent and where such other persons have entered into a written agreement with C&W in relation to such use ("**Reliance Letter**"). C&W expressly disclaims any tortious duty of care (e.g., in negligence) to any third party in relation to any Document provided in connection with an Engagement, and the Client shall not permit any person to rely upon such Document unless that person has first entered into a Reliance Letter. Any limitation on C&W's liability set out in the Engagement shall apply in aggregate to the Client and any party entitled to rely upon C&W's Documents pursuant to a Reliance Letter.
- 8.4 Where the Client provides a copy of a Document to another person, or permits a person to rely upon a Document, the Client indemnifies and holds harmless C&W in full from and against any liability arising out of that person's use or reliance on that Document except where a Reliance Letter has been entered into by such person.
- 8.5 Where the Client acts on behalf of a syndicate or in relation to a securitisation, the Client agrees that it is not entitled to pursue any greater claim on behalf of any other person than it would have been entitled to pursue on its own behalf had there been no syndication or securitisation.

## 9. Service Quality

- 9.1 In carrying out the Services, C&W shall exercise the reasonable care and skill to be generally expected of a competent provider of services similar in scope, nature and complexity to the Services.
- 9.2 In the event that the Client is dissatisfied with the provision of the Services by C&W it must refer such complaint in the first instance to the C&W representative named in the Engagement Letter in accordance with the provisions of C&W's complaints procedure current at the time of the complaint. C&W shall supply to the Client a copy of the complaints procedure upon the request of the Client.
- 9.3 No implied terms shall apply under and/or in connection with the Engagement, and no other express warranties are given - all such terms are expressly excluded to the extent permitted by Applicable Law.
- 9.4 C&W is certified as ISO9001, ISO14001, and ISO45001 compliant.

## 10. Conflicts of Interest, Compliance and Ethics

- 10.1 C&W maintains conflict management procedures designed to govern actual or potential conflicts of interest. If the Client becomes aware of a possible conflict, it shall inform C&W immediately. If a conflict arises, then C&W will decide, taking account of legal constraints, relevant regulatory rules and the clients' interests and wishes, whether it can continue to act for both parties (e.g., through the use of ethical walls), for one

only, or for neither. Where C&W does not believe that any potential or actual conflict can be managed appropriately and in accordance with C&W policy (available upon request), it will inform all clients affected and consult with them as soon as reasonably practicable as to the steps to take.

- 10.2 The Client acknowledges and agrees that C&W may earn commissions and referral fees, and may charge handling fees connected to the services that it performs, and agrees that C&W shall be entitled to retain them without specific disclosure. C&W will not accept any commissions or referral fees in circumstances where it is of the reasonable belief that they would compromise the independence of any advice that it provides.
- 10.3 It is not C&W policy to provide any services for financial gain either directly or through connected persons, to a prospective purchaser or tenant in respect of a property for which C&W is instructed as agents by the seller/owner, until unconditional contracts have been exchanged. C&W will notify the Client if it is instructed by a prospective purchaser or tenant to provide such services where the Client is the seller/owner.

### Anti-Bribery & Corruption

- 10.4 Each party represents and warrants to the other that they and their employees comply with and will comply with, and will not cause the other party to violate all applicable laws related to anti-bribery or anti-corruption ("**Anti-Corruption Laws**") including but not limited to, the U.S. Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1 et seq.), and the UK Bribery Act of 2010.

### Sanctions and Anti-Money Laundering

- 10.5 The Client represents and warrants that:
- (a) in connection with the performance of this Engagement, the Client and its shareholders, directors, officers, or employees comply with, will comply with, and will not cause C&W to violate applicable laws related to the import and export of goods, technology and services, economic or financial sanctions, trade embargoes, or other restrictions on trade ("**Sanctions & Trade Controls**"), including, but not limited to, sanctions laws and regulations of the United States (as administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") and U.S. Department of State), the U.S. Export Administration Regulations (31 C.F.R. Parts 730-774), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), U.S. antiboycott regulations (as administered and enforced by the U.S. Department of Commerce's Office of Antiboycott Compliance and the U.S. Department of the Treasury's Internal Revenue Service), and sanctions laws and regulations of the United Kingdom (as administered and enforced by Her Majesty's Treasury), provided that the representations and warranties contained in this Clause 10.5(a) are given only to the extent that they would not result in a violation of or conflict with Council Regulation (EC) No. 2271/96, as amended (or any law or regulation implementing such Regulation in any member state of the European Union or any equivalent law or regulation in the United Kingdom), the German Foreign Trade Act or any similar, applicable anti-boycott or blocking law or regulation;

- (b) in connection with the performance of this Engagement, the Client and its shareholders, directors, officers, or employees comply with, will comply with, and will not cause C&W to violate applicable laws related to money laundering, terrorist financing, or related financial recordkeeping and reporting requirements ("**AML Laws**"), including, but not limited to, the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.), Money Laundering Control Act of 1986 (18 U.S.C. §§ 1956 et seq.), USA PATRIOT Act, EU Money Laundering Directives, UK Prevention of Terrorism Act 2005, UK Serious Organised Crime and Police Act 2005, UK Money Laundering Regulations 2003, UK Proceeds of Crime Act 2002, and UK Anti-Terrorism, Crime and Security Act 2001;
- (c) neither the Client nor any of its shareholders, directors, officers, or employees (i) is blocked, debarred, designated, excluded, sanctioned, or denied import or export privileges under applicable Sanctions & Trade Controls and/or AML Laws; (ii) located in, resident in or organized under the laws of a country or territory which is a subject of country-wide or territory-wide Sanctions and Trade Controls (at the date of this Agreement, Crimea, Cuba, Iran, Syria or North Korea); or (iii) owned (with a 20% or greater interest) or controlled by any person identified in (a) (collectively, "**Restricted Persons**"); and
- (d) in connection with the performance of this Engagement, the Client is not engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with Restricted Persons.
- 10.6 If at any time, the Client becomes aware that any of the representations set out in Sanctions & Anti-Money Laundering sections are no longer accurate, the Client will notify C&W immediately in writing.
- Tax**
- 10.7 Each party shall:
- (a) not engage in any activity, practice, or conduct which would constitute either:
- (i) a UK tax evasion facilitation offence under section 45(5) of the Criminal Finance Act 2017; or
- (ii) a foreign tax evasion facilitation offence under 46(6) of the Criminal Finances Act 2017;
- (b) have and shall maintain in place such policies and procedures as are both reasonable to prevent the facilitation of tax evasion by another person (including, without limitation, its employees) and to ensure compliance with sub-Clause 10.7(a); and
- (c) notify the other party in writing if it becomes aware of any breach of with sub-Clause 10.7(a) or has reason to believe that it or any person associated with it has received a request or demand from a third party to facilitate the evasion of tax within the meaning of Part 3 of the Criminal Finances Act 2017 in connection with the performance of its obligations under an Engagement.
- 10.8 For the purpose of Clause 10.7, the meaning of reasonable prevention procedure shall be determined in accordance with any guidance issued under section 47 of the Criminal Finances Act 2017.
- 10.9 The Client acknowledges and agrees that under no circumstances are C&W acting as an Intermediary nor are they providing any tax advice in respect of any Engagement.
- 11. Liability and Insurance**
- 11.1 Notwithstanding any contrary provision, neither party limits or excludes its liability in respect of:
- (a) any death or personal injury caused by its negligence;
- (b) any fraud or fraudulent misrepresentation; or
- (c) any statutory or other liability which cannot be limited or excluded under Applicable Law.
- 11.2 C&W shall not be liable for any:
- (a) indirect or consequential loss (even where the parties are aware of the possibility of any such loss at the date of the Engagement);
- (b) loss of profits or revenue of the Client generally;
- (c) loss of goodwill, reputation or opportunity;
- (d) loss of or corruption of data, or loss resulting from the Client's receipt of information, data, or communications supplied or sent by C&W electronically;
- (e) pure economic loss suffered by the Client or persons other than the Client arising out of a tortious duty of care, whether in negligence or otherwise;
- (f) acts or omissions of third parties (other than where contracted directly by C&W otherwise than as the Client's agent); or
- (g) delay caused by its duty to comply with legal and regulatory requirements (such as anti-money laundering checks),
- in each case arising out of or in connection with an Engagement or any breach or non-performance of it no matter how fundamental (including by reason of negligence or breach of statutory duty) in contract, tort or otherwise. The parties agree that each of sub-clauses (a) to (g) (inclusive) above are separate terms and are intended to be severable.
- 11.3 C&W's total aggregate liability arising under or in connection with an Engagement or any breach or non-performance no matter how fundamental (including by reason of negligence or breach of statutory duty) in contract, tort or otherwise shall be limited in all circumstances to an amount equal to the lesser of:
- (a) five (5) times the Fees paid or payable by or on behalf of the Client to C&W in relation to the Engagement; or
- (b) two million pounds sterling (£2,000,000).
- 11.4 Subject always to Clauses 11.2 and 11.3, where an Engagement involves C&W being appointed as part of a project team, liability for loss and/or damage arising under or in connection with the Engagement shall be limited to that proportion of the Client's loss and/or damage which it would be just and equitable to require C&W to pay having regard to the extent of C&W's responsibility for the same and on the basis that:
- (a) all other Client consultants and contractors shall be deemed to have provided contractual undertakings, on terms no less onerous than those set out in the Engagement, to the Client in respect of the performance of their services in connection with the project;
- (b) there are no exclusions of or limitation of liability nor joint insurance or co-insurance provisions between the Client and any other party referred to above; and

- (c) they shall be deemed to have paid to the Client such proportion which would be just and equitable for them to pay having regard to the extent of their responsibility.
- 11.5 No actions or proceedings arising under or in respect of the Engagement or documents signed in connection with it shall be commenced against C&W after six (6) years after the date of the final invoice in relation to the Engagement.
- 11.6 C&W shall effect and maintain, during the Engagement and for a period of six (6) years after issue of C&W's final invoice (or termination of the Engagement, if earlier), professional indemnity insurance with a limit of indemnity sufficient to cover C&W's liabilities under this Engagement provided always that such insurance remains available at commercially reasonable rates and terms and subject to such market standard exceptions, exclusions and limitations to the scope of cover generally in operation at the time of renewal, together with such other insurance as is required to be maintained in accordance with Applicable Law.
- 11.7 Further to Clause 1.2, nothing appoints or obliges C&W to act as an External Valuer as defined under the Alternative Investment Fund Managers 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 by C&W. Where C&W provides valuation advice to an entity that falls within the scope of AIFMD ("Fund"), its role will be limited solely to providing valuations of property assets held by the Fund. Responsibility for the valuation function for the Fund and the setting of the net asset value of the Fund will remain with others. C&W's Document will be addressed to the Fund for internal purposes and third parties may not rely on it. C&W's aggregate liability howsoever arising out of such instruction is limited in accordance with these Terms of Business.
- 11.8 C&W shall not be responsible for the management of any property the subject of an Engagement, and shall have no other responsibility (such as for maintenance or repair) in relation to nor shall C&W be liable for any damage occurring to any such property.
- 12. Termination**
- 12.1 Either party may terminate the Engagement for convenience without cause, upon not less than thirty (30) days prior written notice to the other party.
- 12.2 Either party may terminate the Engagement at any time on written notice, either immediately or following such notice period as it shall see fit if the other party:
- (a) is in material breach of the Engagement, and such breach is irremediable;
  - (b) commits any remediable material breach of the Engagement and fails to remedy such breach within a period of thirty (30) days from the service on it of a notice specifying the material breach and requiring it to be remedied (or, having so remedied, subsequently commits a similar breach within the next thirty (30) days); or
  - (c) ceases or threatens to cease to carry on business, is found unable to pay its debts within the meaning of the Insolvency Act 1986 section 123, has an administrator, receiver, administrative receiver or manager appointed over the whole or any part of its assets, enters any composition with creditors generally, or has an order made or resolution passed for it to be wound up (otherwise than in furtherance of any scheme for solvent amalgamation or solvent reconstruction) or undergoes any similar or equivalent process in any jurisdiction.
- 12.3 C&W may terminate the Engagement and cease to provide the Services, immediately upon written notice to the Client if:
- (a) the Client has failed to pay an invoice within thirty (30) days of the date of such invoice; or
  - (b) in C&W's reasonable opinion, the Client has committed or is about to commit any act or omission which would damage or potentially could damage C&W's reputation;
  - (c) in connection with performance of this Engagement, the Client violates, or causes C&W to violate, applicable Anti-Bribery Laws and Rules or Sanctions and AML Laws;
  - (d) C&W believes in good faith that the Client has acted in a way that may subject C&W to liability under applicable Anti-Corruption Laws, Sanctions & Trade Controls or AML Laws; or
  - (e) the Client or any of its direct or indirect shareholders becomes a Restricted Person.
- 12.4 On termination of the Engagement, the Client shall immediately pay to C&W:
- (a) Fees for the Services it has performed (on a pro rata basis having regard to the Fees payable for the completion of the Engagement, the expected duration of the entire Engagement and the Services performed prior to termination, unless otherwise specified);
  - (b) any Expenses properly incurred in accordance with Clause 3.4, and marketing costs incurred in accordance with Clause 3.5, on or before the effective date of the termination;
  - (c) where the right is exercised by the Client, any additional sums set out in the Engagement Letter as being payable upon termination; and
  - (d) any outstanding interest calculated in accordance with Clause 3.6.
- 12.5 If a party, acting in good faith, exercises a right of termination, its subsequent failure or refusal to perform all or any of its current or future obligations in connection with an Engagement shall not be a breach of an Engagement (whether repudiatory or otherwise).
- 13. Intellectual Property**
- 13.1 C&W and/or its licensors shall retain all right, title and interest in and to the Service Materials and C&W hereby grants to the Client a non-exclusive, non-transferable, non-sub-licensable licence to use the Service Materials to the extent necessary and for the purpose of receiving the Services. C&W shall have no liability for any use of the Service Materials other than for the purpose for which it was originally intended.
- 13.2 The Client and/or its licensors shall retain all right, title and interest in and to the Client Materials and the Client grants to C&W a worldwide, royalty-free, non-exclusive, transferable (to a member of the C&W Group) licence to use, copy and modify the Client Materials to the extent necessary and for

the purpose of providing the Services to the Client and performing its other obligations in relation to an Engagement.

- 13.3 C&W and its licensors shall retain all right, title and interest in and to the C&W Materials.

## 14. Non-Solicitation

- 14.1 Neither party shall (except with the other party's prior written consent) directly or indirectly solicit or entice away (or attempt to solicit or entice away) from the employment of the other, any employee or contractor working on an Engagement, and shall not offer employment to any employee working on an Engagement, for a period of six (6) months following the end of any involvement by that person with an Engagement. This shall not prohibit a party from offering employment to an employee or contractor of the other who has responded to an advertising campaign open to all comers and not specifically targeted at any of its employees or contractors.
- 14.2 In the event that a party breaches Clause 14.1, the other party shall be entitled to be paid compensation of six (6) months' salary or fees of the employee or contractor concerned. The parties agree that this is a genuine pre-estimate of loss taking into account the cost of recruitment and training of staff, and is agreed on a commercial basis between the parties.

## 15. Notices

- 15.1 Any notice or other information to be given by either party to the other under the terms of an Engagement (each a "**Notice**") shall be given by:
- (a) delivering it by hand; or
  - (b) sending it by first class or next day pre-paid registered post; or
  - (c) sending it by email,
- to the other party at the address given in Clause 15.4.
- 15.2 Any Notice delivered by hand shall be deemed to have been delivered at the time of actual delivery.
- 15.3 Any Notice sent in the manner provided by Clause 15.1(b) which is not returned to the sender as undelivered shall be deemed to have been delivered on the second day after it was so posted. Proof that the Notice was properly addressed, pre-paid, registered and posted, and that it has not been returned to the sender, shall be sufficient evidence that the Notice has been duly delivered.
- 15.4 The address of either party for service for the purposes of this Clause 15 (but excluding legal proceedings) shall be that of its registered or principal office, or such other address as it may last have notified to the other party in writing from time to time. Notices to C&W must be addressed to EMEA General Counsel to be valid.
- 15.5 Where a Notice is sent in the manner provided by Clause 15.1(c):
- (a) the Notice should be sent as a PDF attachment to the email, rather than in the body of the email;
  - (b) the subject of the email should make clear that the email contains a Notice relating to the Engagement;
  - (c) the relevant email addresses shall be (i) the last email address notified to the other party in writing for this purpose; and (ii) [emea.contracts@cushwake.com](mailto:emea.contracts@cushwake.com); and
  - (d) any Notice sent in the manner set out in Clause 15.1(c) shall, so long as the sender can provide evidence of sending and the sender does not receive notification that it has not been sent, be deemed to have been delivered on the day of sending, unless not

sent on a business day, in which case it shall be deemed to have been delivered on the next business day.

## 16. No Waiver, Partnership or Joint Venture

- 16.1 No waiver of any right in connection with an Engagement (including rights to sue for breach) shall operate or be construed as a waiver of any other or further right whether of a like or different character, or be effective unless in writing duly executed by an authorised representative of the affected party. The failure to insist upon the performance of the terms, conditions and provisions of the Engagement, or time or other indulgence granted by one party to another, shall not act as a waiver of any breach, as acceptance of any variation, or as the relinquishment of any right in connection with the Engagement, which shall remain in full force and effect.
- 16.2 The Engagement shall not be interpreted or construed to create an association, joint venture or partnership between the parties, or to impose any partnership obligation or liability upon either party.

## 17. Force Majeure and Relief

- 17.1 If either party is prevented or hindered from performing any of its obligations in connection with an Engagement by reason of circumstances outside its reasonable control, (including, without limitation, a reasonable business response, or a failure of supply, relating to a public health crisis including but not limited to epidemics and pandemics, whether or not pursuant to a strict government requirement), that party ("**Claiming Party**") shall as soon as reasonably possible serve notice in writing on the other party specifying the nature and extent of the circumstances preventing or hindering it from performing its obligations.
- 17.2 Subject to the Claiming Party serving notice in accordance with Clause 17.1, the Claiming Party shall have no liability in respect of any delay in performance or any non-performance of any such obligation (save for any payment obligation which shall continue in full force and effect), and the time for performance shall be extended accordingly to the extent that the delay or non-performance is due to such circumstances.
- 17.3 If the period of delay or non-performance continues for 30 days, the parties shall negotiate for a period of 15 days in good faith to agree how to proceed and to any necessary amendments to the Engagement. If no agreement is arrived at for 15 days, the other party may terminate the Engagement by giving 30 days written notice to the Claiming Party.
- 17.4 In the event that the Engagement is terminated pursuant to this Clause 17, C&W shall be entitled to receive payment for work done by C&W to the date of termination of the Engagement.
- 17.5 The Client agrees that C&W shall be excused from its failure to perform or delay in performing any affected obligation in connection with the Engagement to the extent that such failure results from a Relief Event. C&W shall be entitled to a reasonable extension of time in relation to any affected obligation, and to recover reasonable additional costs incurred by it, as a result of a Relief Event.

## 18. Illegality/Severance

If any provision is declared by any competent court or body to be illegal, invalid or unenforceable under the law of any jurisdiction, or if any enactment is passed that renders any provision illegal, invalid or unenforceable under the law of any jurisdiction, this shall not affect or impair the legality, validity or enforceability of the remaining provisions relating to an

Engagement, nor the legality, validity or enforceability of such provision under the law of any other jurisdiction.

## 19. Assignment and Novation

- 19.1 Neither party may at any time, without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed), assign all or any part of its rights and/or obligations relating to an Engagement. Notwithstanding the previous sentence, C&W may assign/novate (as applicable) all or any part of its rights and/or obligations in connection with an Engagement to any other member of the C&W Group, without the Client's prior written consent.
- 19.2 Each Engagement shall inure to the benefit of, and be binding upon, the parties' successors and permitted assignees.

## 20. Further Assurance

Each party shall at all times from the date of the Engagement Letter, on being required to do so, at its own expense do or use reasonable endeavours to procure the doing by any necessary third parties of all such acts as may be required to give full effect to the terms of the Engagement including the execution and delivery of all deeds and documents.

## 21. Governing Law and Dispute Resolution

- 21.1 In the event of a dispute arising out of or in connection with an Engagement, the parties shall enter into mediation in good faith to settle such a dispute, in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure. No party may commence any court proceedings in relation to any dispute arising out of or in connection with an Engagement until it has made reasonable endeavours to settle the dispute by mediation, provided that the right to issue proceedings is not prejudiced by a delay. Notwithstanding, C&W reserves the right to issue proceedings at any stage against the Client in respect of any Fees outstanding in relation to an Engagement.
- 21.2 Clause 21.1 shall not prevent a party from, or require the party to serve notice prior to, applying to the court for interim injunctive relief.
- 21.3 Each Engagement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) are governed by and shall be construed in accordance with English law. The parties submit, save as provided below, to the exclusive jurisdiction of the English courts for all purposes relating to and in connection with each Engagement and any such dispute or claim. Nothing in this clause shall limit the right of C&W to take proceedings against the Client in the Client's country of domicile, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings by C&W in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

## 22. Third Party Rights

- 22.1 To the extent that any loss, damage or expense is suffered or incurred by a member of the C&W Group, the parties acknowledge and agree that such loss, damage or expense shall be deemed to be the loss, damage or expense of C&W, and such loss shall be fully recoverable from the Client as if the loss, damage or expense was suffered or incurred by C&W directly.
- 22.2 Provided that Clauses 3.3 and 22.1 remain valid and in full force and effect, no term of the Engagement is intended for the benefit of a third party and the parties do not intend that any term of the Engagement shall be enforceable by a third

party either under the Contracts (Rights of Third Parties) Act 1999 or otherwise. If Clause 22.1 for any reason is or becomes illegal, invalid or unenforceable, then the rights under each Engagement shall be enforceable by any member of the C&W Group.

## 23. Entire Agreement

- 23.1 The Engagement constitutes the entire agreement and understanding between the parties relating to the transactions contemplated by or in connection with it and the other matters referred to in the Engagement and supersedes and extinguishes any other agreement or understanding (written or oral) between the parties or any of them relating to the same.
- 23.2 Each party acknowledges and agrees that it does not rely on, and shall have no remedy in respect of, any promise, assurance, statement, warranty, undertaking or representation made (whether innocently or negligently) by any other party or any other person except as expressly set out in the Engagement. The Client's sole remedy in relation to any act or omission of C&W relating to or in connection with the Engagement shall be for breach of contract.

## 24. Miscellaneous Terms

- 24.1 Each party warrants and represents that it has power to enter into the Engagement and that it has obtained all necessary consents and/or approvals to do so.
- 24.2 The Client agrees that C&W shall be entitled to rely upon instructions given by any employee or other representative of the Client, and any person holding themselves out as having the authority to give such instructions.
- 24.3 Where the Client comprises two or more persons their liability in relation to the Engagement shall be joint and several.
- 24.4 Clauses 1.1, 2, 3, 4.2, 4.4, 6, 8, 9.3, 10, 11, 12.4, 12.5, 13 to 16 (inclusive), 18 and 20 to 24 (inclusive) of these Terms of Business shall survive termination of the Engagement.
- 24.5 The Client agrees and acknowledges that the Engagement is between the Client and C&W, and that the Client shall have no right to make any claim against any member (partner), director, employee, agent, or contractor of C&W or any member of the C&W Group or any C&W Affiliate.
- 24.6 In accordance with the Provision of Services Regulations 2009, C&W is required to make available certain information to Clients which can be found [here](#).
- 24.7 In accordance with Section 54, Part 6 of the Modern Slavery Act 2015, details of the measures C&W has taken to ensure that slavery and human trafficking is not taking place in its supply chains or in any part of its business can be found [here](#).

Cushman & Wakefield Terms of Business (UK)  
(Version 3.2 – April 2021)

