

# TRITAX BIG BOX REIT PLC

*Share Issuance Programme*

March 2015



SUMMARY • REGISTRATION DOCUMENT • SECURITIES NOTE

## SUMMARY

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

This summary contains all of the Elements required to be included in a summary for the ordinary shares being issued pursuant to the prospectus issued by Tritax Big Box REIT plc (the “**Company**”), a closed-ended investment company, which comprises this summary dated 6 March 2015, a securities note dated 6 March 2015 and a registration document dated 8 July 2014 (the “**Prospectus**”) (with capitalised terms in this summary having the meaning given to them in the securities note and registration document, as applicable). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

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

Section A – Introduction and warnings		
A.1	Warnings	<p><b>THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS PROSPECTUS. ANY DECISION TO INVEST IN THE SECURITIES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR, INCLUDING IN PARTICULAR THE RISK FACTORS.</b></p> <p><i>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</i></p> <p><i>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</i></p>
A.2	Resale by Financial Intermediaries	<p>The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries.</p> <p>The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the Prospectus is given commences on 6 March 2015 and closes at 11.00 a.m. on 18 March 2015.</p> <p><b>Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</b></p>

Section B – Issuer		
<b>B.1</b>	<b>Legal and Commercial Name</b>	The Company's legal and commercial name is Tritax Big Box REIT plc.
<b>B.2</b>	<b>Domicile; Legal form; Legislation; Country of Incorporation</b>	The Company was incorporated as a public company limited by shares in England and Wales under the Companies Act with registered number 8215888. It is registered as an investment company under section 833 of the Companies Act and is domiciled in the United Kingdom.
<b>B3</b>	<b>Issuer's Current Operations &amp; Principal Activities</b>	<p>The Company was incorporated in England and Wales as a closed-ended investment company for the purpose of delivering income and capital returns to Shareholders through investment in Big Box assets in the UK.</p> <p>The principal activity of the Company is to acquire and hold investments in UK commercial real estate (specifically in the logistics sector) with a view to maximising shareholder returns.</p>
<b>B.4a</b>	<b>Significant trends</b>	<p>The Directors and the Manager believe that a significant opportunity exists in the UK logistics market owing to strong tenant demand in high growth areas of the economy as well as limited stock supply, especially for new, large scale Big Box facilities.</p> <p>Big Box assets facilitate the competitive operation of many of the largest and most effective operators in online retail, conventional retail, and logistics provision as well as for some industrials in the UK. Such facilities offer the tenant previously unavailable benefits in terms of efficiency, economies of scale, flexibility, and low cost of use.</p> <p>A Big Box asset can typically be defined as having the following characteristics: (i) over 500,000 sq. ft. of floor area; (ii) a modern constructed building with eaves height exceeding 12 metres; (iii) a primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers; (iv) long leases with Institutional-Grade Tenants; (v) regular, upward only rental reviews, either at a pre-agreed level, linked to an inflation indicator, or to a market peer group; (vi) a prime geographical position to allow both efficient stocking (generally with close links to sea ports or rail freight hubs) and efficient downstream distribution; and (vii) sophisticated automation systems or a highly bespoke fit out.</p> <p>The UK has been one of the fastest global adopters of online retail and continues to exhibit significant growth in the sector, driving new demand for logistics real estate and for Big Box assets.</p> <p>Successful large-scale retailers (online and conventional) and logistics providers are increasingly relying on the Big Box asset, and demand is evident from companies up-scaling to such facilities. However, long lead-in times and challenges related to potential planning constraints and</p>

		financing has impacted the supply of new and speculatively developed Big Box assets.																																																																																																																																				
B.5	Group Structure	<p>The Company, which is the ultimate holding company of the REIT Group, has the following subsidiaries:</p> <table><thead><tr><th>Name</th><th>Company number</th><th>Place of incorporation</th><th>Proportion of ownership interests (%)</th></tr></thead><tbody><tr><td>Tritax Acquisition 1 Limited (SPV 1)</td><td>111687</td><td>Jersey</td><td>100.0</td></tr><tr><td>Tritax Acquisition 2 Limited (SPV 2)</td><td>114528</td><td>Jersey</td><td>100.0</td></tr><tr><td>Tritax Acquisition 2 (SPV) Limited (SPV 2 Ltd)</td><td>114529</td><td>Jersey</td><td>100.0</td></tr><tr><td>The Sherburn RDC Unit Trust</td><td></td><td>Jersey</td><td>100.0*</td></tr><tr><td>Tritax REIT Acquisition 3 Limited (SPV 3)</td><td>8215014</td><td>United Kingdom</td><td>100.0</td></tr><tr><td>Tritax REIT Acquisition 4 Limited (SPV 4)</td><td>8214556</td><td>United Kingdom</td><td>100.0</td></tr><tr><td>Tritax REIT Acquisition 5 Limited (SPV 5)</td><td>8214551</td><td>United Kingdom</td><td>100.0</td></tr><tr><td>Tritax Acquisition 6 Limited (SPV 6)</td><td>115305</td><td>Jersey</td><td>100.0</td></tr><tr><td>Baljean Properties Limited (Baljean)</td><td>005393V</td><td>Isle of Man</td><td>100.0<sup>1</sup></td></tr><tr><td>Tritax Acquisition 4 Limited (Jersey SPV 4)</td><td>115825</td><td>Jersey</td><td>100.0<sup>2</sup></td></tr><tr><td>Tritax Acquisition 5 Limited (Jersey SPV 5)</td><td>115826</td><td>Jersey</td><td>100.0<sup>3</sup></td></tr><tr><td>Sonoma Ventures Limited (Sonoma)</td><td>1637663</td><td>British Virgin Islands</td><td>100.0<sup>4</sup></td></tr><tr><td>Tritax Acquisition 7 Limited (SPV 7)</td><td>116284</td><td>Jersey</td><td>100.0</td></tr><tr><td>Tritax Ripon Limited</td><td>36449</td><td>Guernsey</td><td>100.0<sup>5</sup></td></tr><tr><td>Tritax REIT Acquisition 8 Limited (SPV 8)</td><td>9155993</td><td>United Kingdom</td><td>100.0</td></tr><tr><td>Tritax Acquisition 8 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<sup>5</sup>Held by SPV 7. <sup>6</sup>Held by SPV 8. <sup>7</sup>Held by SPV 9. <sup>8</sup>Held by SPV 10. <sup>9</sup>Held by SPV 11. <sup>10</sup>Held by SPV 12. <sup>11</sup>Held by SPV 13. <sup>12</sup>Held by SPV 14. <sup>13</sup>Held by SPV 16. <sup>14</sup>Held by SPV 17.</p> <p>The subsidiaries have been set up for the purpose of acquiring investment properties.</p>	Name	Company number	Place of incorporation	Proportion of ownership interests (%)	Tritax Acquisition 1 Limited (SPV 1)	111687	Jersey	100.0	Tritax Acquisition 2 Limited (SPV 2)	114528	Jersey	100.0	Tritax Acquisition 2 (SPV) Limited (SPV 2 Ltd)	114529	Jersey	100.0	The Sherburn RDC Unit Trust		Jersey	100.0*	Tritax REIT Acquisition 3 Limited (SPV 3)	8215014	United Kingdom	100.0	Tritax REIT Acquisition 4 Limited (SPV 4)	8214556	United Kingdom	100.0	Tritax REIT Acquisition 5 Limited (SPV 5)	8214551	United Kingdom	100.0	Tritax Acquisition 6 Limited (SPV 6)	115305	Jersey	100.0	Baljean Properties Limited 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B.6	Notifiable Interests	As at 5 March 2015 (being the latest practicable date prior to the publication of the Prospectus) so far as is known to the Company by virtue of notifications made pursuant to the Disclosure and Transparency Rules, the following persons hold directly or indirectly three per cent. or more of the issued share capital of the Company:																																																																																																																																				



		<p><i>Name</i> <i>Number of Ordinary Shares</i> <i>Percentage of issued share capital (%)</i></p> <p>Aviva plc* 47,011,022 9.99%</p> <p>Quilter Cheviot Limited 26,251,375 5.58%</p> <p>East Riding of Yorkshire Council 26,097,353 5.55%</p> <p>Smith &amp; Williamson Holdings Limited 25,096,720 5.33%</p> <p>Vestra Wealth LLP 21,862,215 4.65%</p> <p>Killik &amp; Co LLP 21,512,256 4.57%</p> <p>Brooks Macdonald Group plc 18,608,622 3.96%</p> <p>CCLA Investment Management Limited** 18,260,520 3.88%</p> <p>Baillie Gifford &amp; Co Limited 17,616,000 3.74%</p> <p>Artemis Investment Management LLP*** 15,256,711 3.24%</p> <p>*Including shares held by Aviva plc's subsidiaries BNY (Nominees) Limited, BNY Norwich Union Nominees Limited, Chase (GA Group) Nominees Limited, CUIM Nominees Limited, Vidacos Nominees Limited, BNP Paribas – London and Chase Nominees Limited.</p> <p>**Held on behalf of CBF Investment Fund, COIF Charities Investment Fund, COIF Ethical Investment Fund, Diocesan West Equity, The Lankelly Chase Foundation, The Land Trust Equity and South &amp; Nott Equity.</p> <p>***Held on behalf of discretionary funds under management.</p> <p>As at 5 March 2015 (being the latest practicable date prior to the publication of the Prospectus), the interests of the Directors and their connected persons in the issued share capital of the Company were as follows:</p> <p><i>Name</i> <i>Number of Ordinary Shares</i> <i>Percentage of issued share capital (%)</i></p> <p>Richard Jewson 40,000 0.01</p> <p>Jim Prower 23,760 0.01</p> <p>Mark Shaw 172,821 0.04</p> <p>Other than as disclosed above, the Company is not aware of any person or persons who directly or indirectly, jointly or severally, exercise or could exercise control over the Company. There are no different voting rights for any Shareholder.</p>																																										
<b>B.7</b>	<b>Financial Information</b>	<p>Selected historical key financial information of the REIT Group as at 31 December 2014 is set out below. The information has been extracted without material adjustment from the audited consolidated financial statements of the REIT Group for the period ended 31 December 2014.</p> <table> <tr> <th></th><th><i>As at 31 December 2014 (£'000)</i></th><th><i>As at 31 October 2013 (£'000)</i></th></tr> <tr> <td><b>Assets</b></td><td></td><td></td></tr> <tr> <td>Investment property</td><td>586,179</td><td>–</td></tr> <tr> <td>Interest rate derivatives</td><td>2,379</td><td>–</td></tr> <tr> <td>Trade and other receivables</td><td>30,668</td><td>–</td></tr> <tr> <td>Called up share capital not paid</td><td></td><td>50</td></tr> <tr> <td>Cash and cash equivalents</td><td>98,616</td><td>–</td></tr> <tr> <td><b>Total assets</b></td><td><b>717,842</b></td><td><b>50</b></td></tr> <tr> <td><b>Liabilities</b></td><td></td><td></td></tr> <tr> <td>Deferred rental income</td><td>(7,332)</td><td>–</td></tr> <tr> <td>Trade and other payables</td><td>(6,048)</td><td>–</td></tr> <tr> <td>Bank borrowings</td><td>(200,933)</td><td>–</td></tr> <tr> <td><b>Total liabilities</b></td><td><b>(214,313)</b></td><td><b>–</b></td></tr> <tr> <td><b>TOTAL NET ASSETS</b></td><td><b>503,529</b></td><td><b>50</b></td></tr> </table>		<i>As at 31 December 2014 (£'000)</i>	<i>As at 31 October 2013 (£'000)</i>	<b>Assets</b>			Investment property	586,179	–	Interest rate derivatives	2,379	–	Trade and other receivables	30,668	–	Called up share capital not paid		50	Cash and cash equivalents	98,616	–	<b>Total assets</b>	<b>717,842</b>	<b>50</b>	<b>Liabilities</b>			Deferred rental income	(7,332)	–	Trade and other payables	(6,048)	–	Bank borrowings	(200,933)	–	<b>Total liabilities</b>	<b>(214,313)</b>	<b>–</b>	<b>TOTAL NET ASSETS</b>	<b>503,529</b>	<b>50</b>
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		<p>Save to the extent disclosed below, there has been no significant change in the financial condition or operating results of the REIT Group during the periods 1 March 2013 to 31 October 2013 and 1 November 2013 to 31 December 2014, being the periods covered by the historical financial information:</p> <ul style="list-style-type: none"> <li>• on 9 December 2013, the Company issued 200,000,000 Ordinary Shares by way of a placing and offer for subscription at an issue price of 100 pence per Ordinary Share in connection with the IPO;</li> <li>• on 10 December 2013, SPV 2 and SPV 2 Ltd acquired the freehold for Sainsbury's Big Box for a purchase price of £48.75 million (net of acquisition costs);</li> <li>• on 17 December 2013, SPV 1 acquired the freehold for M&amp;S Big Box for a purchase price of £82.57 million (net of acquisition costs);</li> <li>• on 17 March 2014, SPV 3 acquired the freehold for Tesco Chesterfield Big Box for a purchase price of £28.64 million (net of acquisition costs);</li> <li>• on 28 April 2014, SPV 6 acquired the freehold for Tesco Didcot Big Box for a purchase price of £27.2 million (net of acquisition costs);</li> <li>• on 9 April 2014, Barclays made available to the REIT Group an investment term loan facility of £23.5 million, secured by (amongst other things) Sainsbury's Big Box;</li> <li>• on 3 June 2014, Barclays made available to the REIT Group an investment term loan facility of £49.28 million, secured by (amongst other things) M&amp;S Big Box;</li> <li>• on 3 June 2014, Barclays made available to the REIT Group an investment term loan facility of £12.24 million, secured by (amongst other things) Tesco Didcot Big Box;</li> <li>• on 4 June 2014, the Company issued 19,980,000 Ordinary Shares by way of a placing at an issue price of 104 pence per Ordinary Share;</li> <li>• on 17 June 2014, Jersey SPV 5 acquired the freehold for Next Big Box for a purchase price of £60 million (net of acquisition costs);</li> <li>• on 17 June 2014, Barclays made available to the REIT Group an investment term loan facility of £16.43 million, secured by (amongst other things) Next Big Box;</li> <li>• on 24 June 2014, Jersey SPV 4 acquired a 999 year lease on Morrisons Big Box for a purchase price of £97.8 million (net of acquisition costs);</li> <li>• on 18 June 2014, Barclays made available to the REIT Group an investment term loan facility of £65.3 million, secured by (amongst other things) Morrisons Big Box;</li> </ul>
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		<ul style="list-style-type: none"> <li>• on 8 August 2014, the Company paid its first interim dividend of 1.85 pence per Ordinary Share for the period from the IPO to 30 June 2014;</li> <li>• on 20 August 2014, SPV 8 acquired the freehold for DHL Distribution Warehouse, Langley Mill for a purchase price of £17.53 million (net of acquisition costs);</li> <li>• on 20 August 2014, SPV 9 acquired the freehold for DHL Distribution Warehouse, Skelmersdale for a purchase price of £28.87 million (net of acquisition costs);</li> <li>• on 29 August 2014, Ripon acquired the freehold for the Wolseley Regional Distribution Centre, Ripon for a purchase price of £12.24 million (net of acquisition costs);</li> <li>• on 29 September 2014, SPV 10 acquired the forward funding investment in new technology and logistics facility near Bognor Regis, West Sussex, pre-let to Rolls Royce for a purchase price of £36.98 million (net of acquisitions costs);</li> <li>• on 12 November 2014, Barclays made available to the REIT Group an investment term loan facility of £24.25 million, secured by (amongst other things) The Range UK Distribution Centre;</li> <li>• on 13 November 2014, SPV 11 acquired The Range UK National Distribution Centre for a purchase price of £48.50 million (net of acquisition costs);</li> <li>• on 17 November 2014, Landesbank Hessen-Thüringen Girozentrale made available to the REIT Group an investment term loan facility of £7.06 million, secured by (amongst other things) DHL Distribution Warehouse, Langley Mill;</li> <li>• on 17 November 2014, Landesbank Hessen-Thüringen Girozentrale made available to the REIT Group an investment term loan facility of £11.60 million, secured by (amongst other things) DHL Distribution Warehouse, Skelmersdale;</li> <li>• on 28 November 2014, the Company placed 104.76 million new Ordinary Shares at an issue price of 105 pence per Ordinary Share, raising £110.00 million;</li> <li>• on 28 November 2014, SPV 12 acquired Tesco Distribution centre, Middleton for a purchase price of £22.45 million (net of acquisition costs);</li> <li>• on 4 December 2014, Santander UK Plc made available to the REIT Group an investment term loan facility of £5.5 million, secured by (amongst other things) Wolseley Regional Distribution Centre, Ripon;</li> <li>• on 5 December 2014, Barclays made available to the REIT Group an investment term loan facility of £13.17</li> </ul>
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		<p>million, secured by (amongst other things) Kuehne &amp; Nagel Distribution Centre, Dove Valley Park;</p> <ul style="list-style-type: none"> <li>on 8 December 2014, SPV 13 acquired L'Oreal (UK) Distribution Centre, Trafford Park for a purchase price of £25.83 million (net of acquisition costs);</li> <li>on 8 December 2014, SPV 14 acquired Kuehne &amp; Nagel Distribution Centre, Dove Valley Park for a purchase price of £29.27 million (net of acquisition costs);</li> <li>on 17 December 2014, the Company paid the second interim dividend of 1.50 pence per Ordinary Share for the period 1 July 2014 to 31 October 2014.</li> </ul> <p>Save to the extent disclosed below, there has been no significant change in the financial condition or operating results of the REIT Group since 31 December 2014, being the end of the period covered by the historical financial information:</p> <ul style="list-style-type: none"> <li>on 27 January 2015, Tritax Acquisition 16 Limited exchanged contracts (conditional on receipt of planning consent) to provide forward funding for Ocado Erith Big Box with an investment price of up to £99.9 million; and</li> <li>on 2 February 2015, Barclays made available to the REIT Group an investment term loan facility of £13.2 million, secured by (amongst other things) K&amp;N Dove Valley Big Box.</li> </ul>
<b>B.8</b>	<b>Selected Key Pro Forma Financial Information</b>	Not applicable. The Prospectus does not include any pro-forma financial information.
<b>B.9</b>	<b>Profit Estimate</b>	Not applicable. The Prospectus does not include any profit forecasts or estimates.
<b>B.10</b>	<b>Audit Report Qualifications</b>	Not applicable. The audit report on the historical financial information contained in the Prospectus is not qualified.
<b>B.11</b>	<b>Insufficiency of Working Capital</b>	Not applicable. The Company is of the opinion that the working capital available to the REIT Group is sufficient for its present requirements, that is for at least the twelve months from the date of the Prospectus.
<b>B.34</b>	<b>Investment Policy</b>	<p><b><i>Investment objective</i></b></p> <p>The investment objective of the Company is to invest in UK Big Box assets benefiting from long-term leases with Institutional-Grade Tenants, to deliver, on a fully invested and geared basis:</p> <ul style="list-style-type: none"> <li>an initial targeted annual dividend yield of 6 per cent. by reference to the IPO price at launch of 100 pence, with the potential to grow through upward-only inflation-protected long-term lease agreements; and</li> <li>a targeted net total shareholder return in excess of 9 per cent. per annum over the medium term.</li> </ul>



		<p>This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield or the target net total shareholder return (as the case may be) is reasonable or achievable.</p> <p><b><i>Investment policy</i></b></p> <p>The Company intends to acquire well-located Big Box assets in the UK, let to Institutional-Grade Tenants on long-term leases with regular upward only rent reviews. The Company will invest in these assets directly or through holdings in special purpose vehicles. It intends to invest in high quality assets, taking into account several factors, including:</p> <ul style="list-style-type: none"> <li>• strength of the tenant covenant;</li> <li>• terms of the lease, focusing on duration (typically with an unexpired lease term remaining of at least 12 years, however shorter terms will be considered on a case-by-case basis as part of an integrated value driven strategy) and potential rent review/growth; and</li> <li>• property characteristics, including location, building quality, scale, transportation links, workforce availability and internal operational efficiencies.</li> </ul> <p>The Company intends to invest in a portfolio of Big Box assets with geographic and tenant diversification throughout the UK.</p> <p><b><i>Investment restrictions</i></b></p> <p>The Company will invest and manage its assets with the objective of delivering a high quality, diversified portfolio through the following investment restrictions:</p> <ul style="list-style-type: none"> <li>• in the normal course, the maximum limit for any single asset will be 20 per cent. of gross assets calculated at the time of investment (although while the gross assets remain below £650 million the maximum limit will be 25 per cent.);</li> <li>• the maximum exposure to forward funded assets will be limited to an aggregate of 25 per cent. of gross assets, calculated at the time of investment;</li> <li>• the maximum exposure to any tenant or developer will be limited to 20 per cent. of gross assets once fully invested and geared in accordance with this Investment Policy following the Issue (thereafter, this limit will apply at the time of the investment), other than to one particular FTSE Tenant where the maximum exposure to such FTSE Tenant, which will be limited to one FTSE Tenant in the Portfolio at any time, will be 30 per cent. of gross assets once fully</li> </ul>
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		<p>invested and geared in accordance with this Investment Policy following the Issue (thereafter, this limit will apply at the time of investment);</p> <ul style="list-style-type: none"> <li>the Company will only invest in leased or preleased assets and will not invest in speculative developments;</li> <li>the Company will not invest in closed-ended investment companies;</li> <li>the Company will only invest in assets with institutional-grade tenants;</li> <li>the Company will only invest in assets with leases with regular upward-only rent reviews; and</li> <li>all assets will be located in the UK.</li> </ul> <p><b><i>Use of derivatives</i></b></p> <p>The Company may invest through derivatives for efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's efficient portfolio management.</p> <p><b><i>Other</i></b></p> <p>Cash held for working capital purposes or received by the REIT Group pending reinvestment or distribution will be held in Sterling only and invested in cash, cash equivalents, near cash instruments and money market instruments. The Board determines the cash management policy in consultation with the Manager.</p> <p>The Directors at all times intend to conduct the affairs of the Company so as to enable the Company to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).</p> <p>In the event of a breach of the investment guidelines and restrictions set out above, the Manager shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service.</p> <p>No material change will be made to the Investment Policy without the approval of Shareholders by ordinary resolution.</p> <p><b><i>Proposed changes to Investment Policy</i></b></p> <p>In response to the way in which the UK Big Box market has evolved over the period since IPO, the Company is currently consulting with Shareholders and the UKLA on certain proposed amendments to its Investment Policy so that:</p> <ul style="list-style-type: none"> <li>(a) the number of FTSE 350 tenants to which the Company may have a maximum 30 per cent. exposure is increased from one to two;</li> <li>(b) the aggregate maximum exposure to forward-funded assets of 25 per cent. of gross assets is deleted; and</li> </ul>
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		<p>(c) the restriction on any use of hedging to a single asset is deleted.</p> <p>Subject to a satisfactory conclusion of such consultation, the Directors propose to seek Shareholder approval for such changes (or modified proposals, as the case may be) as soon as possible thereafter.</p>
<b>B.35</b>	<b>Borrowing/ Leverage Limits</b>	<p>The Company will seek to use gearing to enhance equity returns.</p> <p>The level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds, whilst maintaining flexibility in the underlying security requirements, and the structure of both the portfolio and the REIT Group.</p> <p>The Directors intend that the REIT Group will maintain a conservative level of aggregate borrowings with a medium term target of 40 per cent. of the REIT Group's gross assets. However, the REIT Group's initial target level of aggregate borrowings will be approximately 45 per cent. of the REIT Group's gross assets. The aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown, of 50 per cent. of the REIT Group's gross assets.</p> <p>Debt will be secured at the asset level without recourse to the Company and potentially at the Company level with or without a charge over some or all of the Company's assets, depending on the optimal structure for the Company and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles.</p> <p>To date, the REIT Group has drawn down 10 senior debt facilities, resulting in long-term bank borrowings of £216.84 million and a loan to value ratio of 35.0 per cent. based on the Portfolio as at 31 December 2014.</p>
<b>B.36</b>	<b>Regulatory Status</b>	<p>The Company is currently subject to the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.</p> <p>The REIT Group is a UK REIT and needs to comply with certain ongoing regulations and conditions (including minimum distribution requirements).</p> <p>The Company operates as an externally managed alternative investment fund, with the Manager being the Company's AIFM.</p>
<b>B.37</b>	<b>Investor Profile</b>	<p>An investment in the Ordinary Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.</p>
<b>B.38</b>	<b>Investments (20%)</b>	<p>Not applicable. The Company does not at the date of the Prospectus, and will not on Admission, have any such investments.</p>

B.39	Investments (40%)	Not applicable. The Company does not at the date of the Prospectus, and will not on Admission, have any such investments.										
B.40	Service Providers	<p>Pursuant to the Investment Management Agreement, the Manager provides various investment, property management and administration services to the Company.</p> <p>In consideration of the performance by the Manager of the various investment, property management, administration and other services under the Investment Management Agreement, the Manager receives an annual management fee which is calculated quarterly in arrears based upon a percentage of the last published NAV of the Company (not taking into account cash balances) on the following basis:</p> <table><tr><td><i>Company NAV (excluding cash balances)</i></td><td><i>Annual management fee (percentage of NAV)</i></td></tr><tr><td>Up to and including £500 million</td><td>1.0 per cent.</td></tr><tr><td>Above £500 million and up to and including £750 million</td><td>0.9 per cent.</td></tr><tr><td>Above £750 million and up to and including £1 billion</td><td>0.8 per cent.</td></tr><tr><td>Above £1 billion</td><td>0.7 per cent.</td></tr></table> <p>75 per cent. of the total annual management fee due is payable in cash in arrears on a quarterly basis, and 25 per cent. of the total annual management fee (net of any applicable tax) is payable in the form of Ordinary Shares rather than cash.</p> <p>The Manager is also entitled to be reimbursed for all disbursements, fees and costs payable to third parties properly incurred by the Manager on behalf of the Company pursuant to provision of the services under the Investment Management Agreement.</p> <p>There are no performance, acquisition, exit or property management fees.</p> <p>The main additional service providers to the REIT Group are set out below.</p> <p>The Registrar is appointed as the Company’s registrar. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee of £22,500 (exclusive of VAT) in respect of the provision of basic registration services.</p> <p>The Company Secretary provides company secretarial services to the Company under the terms of the Company Secretarial Agreement and is entitled to a fee of £25,000 per annum (exclusive of VAT).</p> <p>Capita Sinclair Henderson Limited is appointed as Administrator to the Company. The Administrator provides the day-to-day administration of the Company and is also responsible for the Company’s general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company’s accounting and statutory records. Under the terms of the Administration</p>	<i>Company NAV (excluding cash balances)</i>	<i>Annual management fee (percentage of NAV)</i>	Up to and including £500 million	1.0 per cent.	Above £500 million and up to and including £750 million	0.9 per cent.	Above £750 million and up to and including £1 billion	0.8 per cent.	Above £1 billion	0.7 per cent.
<i>Company NAV (excluding cash balances)</i>	<i>Annual management fee (percentage of NAV)</i>											
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Above £750 million and up to and including £1 billion	0.8 per cent.											
Above £1 billion	0.7 per cent.											

		<p>Agreement, the Administrator is entitled to an administration fee of £54,000 per annum (exclusive of VAT) for the twelve months from Admission and £4,500 per month (exclusive of VAT) thereafter.</p> <p>Langhall UK LLP is the sole depository of the alternative investment funds set out in the Depositary Agreement with the Manager and is entitled to an annual fee of £44,000.</p> <p>BDO LLP provides audit services to the Company.</p>
<b>B.41</b>	<b>Managers &amp; Advisers</b>	<p>The Manager was incorporated in England and Wales as a limited liability partnership on 2 March 2007 with registered number OC326500. The Manager became authorised by the FCA as an AIFM on 1 July 2014. Following such authorisation, on 2 July 2014 the Property Management and Services Agreement between the Company and the Manager was replaced in its entirety by the Investment Management Agreement. Pursuant to the Investment Management Agreement, the Company is provided with all management and advisory services by the Manager.</p>
<b>B.42</b>	<b>NAV</b>	<p>The Net Asset Value (and Net Asset Value per Ordinary Share) is calculated half-yearly by the Administrator and relevant professional advisers with support from the Manager and is presented to the Board for its approval and adoption. Calculations are made in accordance with IFRS and EPRA's best practice recommendations or as otherwise determined by the Board. Details of each half-yearly valuation are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant period. In addition, the calculations will be reported to Shareholders in the Company's annual report and interim financial statements. Net Asset Value (and Net Asset Value per Ordinary Share) will be calculated on the basis of the relevant half-yearly valuation of the Company's properties, conducted by an independent valuer.</p> <p>The Company intends to report its NAV according to EPRA guidelines.</p>
<b>B.43</b>	<b>Umbrella Undertakings</b>	<p>Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.</p>
<b>B.44</b>	<b>Financial Statements</b>	<p>The Company has commenced operations and historical financial information is included in the Prospectus.</p>



<b>B.45</b>	<b>Portfolio</b>	<p>As at the date of the Prospectus, the Portfolio comprises the following assets:</p> <table><tr><th><i>Tenant</i></th><th><i>Location</i></th><th><i>Month of acquisition</i></th><th><i>Size (sq. ft.)</i></th><th><i>Tenure</i></th><th><i>Market valuation as at 31 December 2014</i></th></tr><tr><td>Sainsbury's Supermarket Ltd</td><td>Leeds</td><td>Dec 2013</td><td>571,522</td><td>Freehold</td><td>£57,160,000</td></tr><tr><td>Marks &amp; Spencer plc</td><td>Castle Donington</td><td>Dec 2013</td><td>906,240</td><td>Freehold</td><td>£90,550,000</td></tr><tr><td>Tesco Stores Ltd</td><td>Chesterfield</td><td>Mar 2014</td><td>501,751</td><td>Freehold</td><td>£31,500,000</td></tr><tr><td>Tesco Distribution Ltd</td><td>Didcot</td><td>Apr 2014</td><td>288,295</td><td>Freehold</td><td>£31,560,000</td></tr><tr><td>Next Group Plc</td><td>Doncaster</td><td>Jun 2014</td><td>755,055</td><td>Freehold</td><td>£65,050,000</td></tr><tr><td>Wm Morrison Supermarkets Ltd</td><td>Sittingbourne</td><td>Jun 2014</td><td>919,443</td><td>999 year leasehold</td><td>£110,150,000</td></tr><tr><td>DHL Supply Chain Ltd</td><td>Langley Mill</td><td>Aug 2014</td><td>255,680</td><td>Freehold</td><td>£19,625,000</td></tr><tr><td>DHL Supply Chain Ltd</td><td>Skelmersdale</td><td>Aug 2014</td><td>470,385</td><td>Freehold</td><td>£31,750,000</td></tr><tr><td>Wolseley UK Ltd</td><td>Ripon</td><td>Aug 2014</td><td>221,763</td><td>Freehold</td><td>£13,210,000</td></tr><tr><td>Rolls-Royce Motor Cars Ltd</td><td>Bognor Regis</td><td>Oct 2014</td><td>313,220</td><td>Freehold</td><td>£37,500,000</td></tr><tr><td>CDS (Superstores International) Ltd (The Range)</td><td>Thorne</td><td>Nov 2014</td><td>750,431</td><td>Freehold</td><td>£50,050,000</td></tr><tr><td>Tesco Stores Ltd</td><td>Middleton</td><td>Dec 2014</td><td>302,111</td><td>Freehold</td><td>£23,375,000</td></tr><tr><td>Kuehne &amp; Nagel Ltd</td><td>Dove Valley Park</td><td>Dec 2014</td><td>343,248</td><td>Freehold</td><td>£30,500,000</td></tr><tr><td>L'Oreal (UK) Ltd</td><td>Trafford Park</td><td>Dec 2014</td><td>261,959</td><td>Freehold</td><td>£27,300,000</td></tr><tr><td>Total</td><td></td><td></td><td><u>6,861,103</u></td><td></td><td><u>£619,280,000</u></td></tr></table> <p>*forward funded development project.</p> <p>In addition, in January 2015, the Company exchanged contracts (conditional on detailed planning consent) to provide forward funding for a new distribution warehouse facility located in Erith, pre-let in its entirety to a subsidiary of Ocado.</p>	<i>Tenant</i>	<i>Location</i>	<i>Month of acquisition</i>	<i>Size (sq. ft.)</i>	<i>Tenure</i>	<i>Market valuation as at 31 December 2014</i>	Sainsbury's Supermarket Ltd	Leeds	Dec 2013	571,522	Freehold	£57,160,000	Marks & Spencer plc	Castle Donington	Dec 2013	906,240	Freehold	£90,550,000	Tesco Stores Ltd	Chesterfield	Mar 2014	501,751	Freehold	£31,500,000	Tesco Distribution Ltd	Didcot	Apr 2014	288,295	Freehold	£31,560,000	Next Group Plc	Doncaster	Jun 2014	755,055	Freehold	£65,050,000	Wm Morrison Supermarkets Ltd	Sittingbourne	Jun 2014	919,443	999 year leasehold	£110,150,000	DHL Supply Chain Ltd	Langley Mill	Aug 2014	255,680	Freehold	£19,625,000	DHL Supply Chain Ltd	Skelmersdale	Aug 2014	470,385	Freehold	£31,750,000	Wolseley UK Ltd	Ripon	Aug 2014	221,763	Freehold	£13,210,000	Rolls-Royce Motor Cars Ltd	Bognor Regis	Oct 2014	313,220	Freehold	£37,500,000	CDS (Superstores International) Ltd (The Range)	Thorne	Nov 2014	750,431	Freehold	£50,050,000	Tesco Stores Ltd	Middleton	Dec 2014	302,111	Freehold	£23,375,000	Kuehne & Nagel Ltd	Dove Valley Park	Dec 2014	343,248	Freehold	£30,500,000	L'Oreal (UK) Ltd	Trafford Park	Dec 2014	261,959	Freehold	£27,300,000	Total			<u>6,861,103</u>		<u>£619,280,000</u>
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<b>B.46</b>	<b>NAV per Ordinary Share</b>	<p>As at 31 December 2014, the audited Net Asset Value per Ordinary Share was 107.02 pence.</p>																																																																																																

<b>Section C – Securities</b>		
<b>C.1</b>	<b>Securities Offered</b>	<p>Pursuant to the Share Issuance Programme, the Company is seeking to issue up to 136,363,636 Ordinary Shares under the Issue, targeting Gross Proceeds of £150 million. The Directors have reserved the right, in consultation with Jefferies, to increase the size of the Issue up to a maximum of 181,818,181 Ordinary Shares to raise Gross Proceeds of up to £200 million if overall demand exceeds 136,363,636 Ordinary Shares, with any such increase being announced through a Regulatory Information Service. The actual number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds, are not known as at the date of the Prospectus but will be notified by the Company via a Regulatory Information Service announcement prior to Admission.</p> <p>The Company intends to issue up to 350 million Ordinary Shares pursuant to the Share Issuance Programme*. Applications will be made to the FCA for all of the Ordinary Shares to be issued pursuant to the Share Issuance Programme to be admitted to the premium listing segment</p>

		<p>of the Official List of the FCA and to the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Admission of such Ordinary Shares issued pursuant to the Share Issuance Programme will become effective and dealings in such Ordinary Shares will commence not later than 7 July 2015.</p> <p>The ISIN of the Ordinary Shares is GB00BG49KP99 and the SEDOL is BG49KP9.</p> <p>The ticker for the Company is BBOX.</p> <p>*104,761,904 Ordinary Shares were issued as a Tranche under the Share Issuance Programme on 2 December 2014 and the New Ordinary Shares are also being issued as a Tranche under the Share Issuance Programme.</p>
<b>C.2</b>	<b>Currency</b>	The Ordinary Shares are denominated in Sterling.
<b>C.3</b>	<b>Issued Shares</b>	As at 5 March 2015 (being the latest practicable date prior to the publication of the Prospectus), the issued share capital of the Company was £4,704,952, divided into 470,495,220 Ordinary Shares of £0.01 each.
<b>C.4</b>	<b>Rights</b>	The Ordinary Shares issued pursuant to the Issue will rank in full for all dividends and distributions declared, made or paid after their issue and otherwise <i>pari passu</i> in all respects with each of the Ordinary Shares currently in issue and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each of the Ordinary Shares currently in issue, as set out in the Articles.
<b>C.5</b>	<b>Restrictions on Transferability</b>	<p>The Ordinary Shares are freely transferable, subject to the Board's absolute discretion to refuse to register any transfer of any certificated share which is not fully paid, provided that the Board shall not refuse to register any transfer of partly paid Ordinary Shares which are admitted to trading on the London Stock Exchange's main market for listed securities where such refusal would prevent dealings in such shares. The Board may decline to recognise any instrument of transfer relating to certificated shares unless, inter alia, it is in respect of only one class of share, is lodged at the registered office, is accompanied by the relevant share certificate and is duly stamped (if required).</p> <p>The Board may, under the Articles, decline to recognise any instrument of transfer relating to certificated shares to any person whose holding or beneficial ownership of shares may result in: (i) the Company, the Manager or the Investment Adviser or any member of its group being in violation of, or required to register under, the US Investment Company Act or the US Commodity Exchange Act or being required to register its shares under the US Exchange Act; (ii) the Company not being a "foreign private issuer" as such term is defined in Rule 3b-4(c) of the US Exchange Act; (iii) the assets of the Company being deemed to be "plan assets" within the meaning of ERISA and US Department of Labor Regulations and guidance issued thereunder,</p>

		<p>including, but not limited to 29 C.F.R. 2510. 3-101, or of a “plan” within the meaning of Section 4975 of the US Tax Code, or of a plan or other arrangement subject to Section 503 of the US Tax Code or provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the US Tax Code; (iv) the Company, or any member of its group, the Manager or the Investment Adviser not being in compliance with FATCA, the US Investment Company Act, the US Exchange Act, the US Commodity Exchange Act, Section 4975 of the US Tax Code, Section 503 of the US Tax Code, ERISA or any applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA, Section 503 of the US Tax Code or Section 4975 of the US Tax Code; or (v) the Company being a “controlled foreign corporation” for the purposes of the US Tax Code.</p>
<b>C.6</b>	<b>Application for Admission</b>	<p>The Company will apply to the FCA for all of the New Ordinary Shares to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for all such New Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence on 23 March 2015.</p>
<b>C.7</b>	<b>Dividend Policy</b>	<p>The Company’s stated intention is to pay dividends on a half-yearly basis. The first interim dividend of 1.85 pence per Ordinary Share was paid on 8 August 2014, for the period to 30 June 2014. The second interim dividend of 1.50 pence per Ordinary Share was paid on 17 December, for the period 1 July 2014 to 31 October 2014. On 23 February 2015, the Company declared its third interim dividend of 0.80 pence per Ordinary Share, payable on 18 March 2015 to Shareholders on the register on 6 March 2015, for the period 1 November 2014 to 31 December 2014.</p> <p>On 6 March 2015, the Company declared a dividend of 1.0 pence per Ordinary Share for the period 1 January 2015 to 28 February 2015 which will be paid to Shareholders on the register on 20 March 2015.</p> <p>The Board is targeting an initial annual dividend yield (on a fully invested and geared basis) of 6 per cent. by reference to the IPO issue price of 100 pence. The Board confirms that the Company is on track to achieve this in 2015. The Company will seek to grow the dividend over the medium term as rent reviews are triggered on the Portfolio. Over a five year period, the Directors expect that the dividend will grow at a rate reflecting CPI/RPI due to the upward only rent reviews typically contained in the leases of the target assets.</p> <p>The Directors will keep under review whether to offer a scrip alternative in respect of future dividends declared by the Company.</p>

		<p>These projected dividends are targets only and not profit forecasts. There can be no assurance that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield is reasonable or achievable.</p> <p>As a REIT, the Company is required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute a minimum of 90 per cent. of the income profits of the Property Rental Business for each accounting period, as adjusted for tax purposes.</p>
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Section D – Risks		
D.1	Key Information on the Key Risks (Company & Industry)	<p><b><i>The Company has a limited operating history</i></b></p> <p>The Company has a limited operating history upon which prospective investors may base an evaluation of the likely performance of the Company. Any investment in the Ordinary Shares is, therefore, subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its Investment Objective and that the value of any investment made by the Company, and of the Ordinary Shares, could substantially decline.</p> <p><b><i>The REIT Group's performance will depend on general real estate market conditions</i></b></p> <p>The UK economy and property market specific conditions may have a negative impact on or delay the REIT Group's ability to execute investments in suitable Big Box assets that generate acceptable returns.</p> <p><b><i>Competition for investment property in the Big Box sector</i></b></p> <p>Big Box assets may appeal to a broad spread of potential investors, and other competitors may have greater financial resources than the Company. With a limited supply existing in the UK, coupled with a long lead-in time for development of new assets, competition for Big Box assets may be strong, hence there is no assurance of the Company securing suitable assets ahead of this competition at a suitable return.</p> <p><b><i>The REIT Group may not be able to dispose of its investments in a timely fashion and at satisfactory prices</i></b></p> <p>As property assets are expected to be relatively illiquid, such illiquidity may affect the REIT Group's ability to dispose of or liquidate its portfolio in an effective and timely fashion. This</p>

	<p>could result in a decrease in NAV and lower returns (if any) for Shareholders.</p> <p><b><i>Acquisition of property investments will be funded partly by borrowings</i></b></p> <p>If the value of the Company's assets falls, the NAV of the Company will reduce. There is no assurance that credit will be available under acceptable commercial terms. The borrowings which the Company uses contain loan to value covenants, being the accepted market practice in the UK. If real estate assets owned by the Company decrease in value, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a call for additional capital from the lender; payment of a fee to the lender; could require a sale of an asset; a forfeit of any asset to a lender, which could result in a total or partial loss of equity value for each specific asset, or indeed for the REIT Group as a whole.</p> <p>The Company has incurred, and anticipates incurring further debt with interest payable based on LIBOR and it intends to hedge or partially hedge such interest rate exposure on borrowings. However, such measures may not be sufficient to protect the Company from adverse movements in prevailing interest rates to the extent exposures are unhedged or hedges are inadequate to offer sufficient protection.</p> <p><b><i>The appraised value of the REIT Group's properties may not accurately reflect the current or future value of the REIT Group's assets</i></b></p> <p>The valuation of property is inherently subjective, meaning that actual sale prices paid or received by the REIT Group (as applicable) may not reflect the stated valuations of the properties.</p> <p><b><i>The REIT Group will be dependent on the efforts of the Manager and the Investment Team</i></b></p> <p>The REIT Group will be reliant on the management and advisory services the Company receives from the Manager. As a result, the REIT Group's performance will, to a large extent, be dependent upon the ability of the Manager. Any failure to source assets, execute transactions or manage investments by the Manager may have a material adverse effect on the REIT Group's performance. Furthermore, the departure of any of the Investment Team without adequate replacement may also have a material adverse effect on the REIT Group's performance.</p> <p><b><i>If the REIT Group fails to remain qualified as a REIT, its rental income and gains will be subject to UK corporation tax</i></b></p> <p>The Company cannot guarantee the continued compliance with all of the REIT conditions. If the REIT Group fails to remain qualified as a REIT, members of the REIT Group may be subject to UK corporation tax on some or all of their property rental income and chargeable gains on the sale of</p>
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		properties which would reduce the amounts available to distribute to investors.
<b>D.3</b>	<b>Key Information on the Key Risks (Shares)</b>	<p><b><i>Trading market for the Ordinary Shares</i></b></p> <p>The share price of listed companies can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the REIT Group and its operations and others to the broader equity markets in general. In addition, stock markets have from time to time experienced extreme price and volume fluctuations which could adversely affect the market price of the Ordinary Shares.</p> <p><b><i>Future sales of Ordinary Shares could cause the share price to fall</i></b></p> <p>Sales of Ordinary Shares by significant investors could depress the market price of the Ordinary Shares. A substantial amount of Ordinary Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares. Both scenarios may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.</p> <p><b><i>The Company will in the future issue new equity, which may dilute Shareholders' equity</i></b></p> <p>The Company will issue new equity in the future pursuant to the Share Issuance Programme or otherwise. Where pre-emption rights in the Articles are disapplied, any additional equity finance will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.</p>

<b>Section E – Offer</b>		
<b>E.1</b>	<b>Net Proceeds &amp; Expenses</b>	<p>On the assumption that Gross Proceeds of £150 million are raised pursuant to the Issue, the expenses payable by the Company will not exceed £3 million (being 2 per cent. of the Gross Proceeds), resulting in Net Proceeds of approximately £147 million.</p> <p>The total net proceeds of the Share Issuance Programme will depend on the number of Ordinary Shares issued throughout the Share Issuance Programme, the issue price of such Ordinary Shares, and the aggregate costs and commissions for each Tranche. However, the aggregate costs and commissions will be fixed at a level of two per cent. of the gross issue proceeds.</p>

E.2	<b>Reasons for the Issue &amp; Share Issuance Programme &amp; Use of Proceeds</b>	<p>The Issue is being made and the Share Issuance Programme implemented in order to raise funds for the purpose of achieving the Company's Investment Objective.</p> <p>The Gross Proceeds and the proceeds from the Share Issuance Programme are expected to be utilised to acquire additional Big Box assets in accordance with the Company's Investment Policy, save to the extent retained for working capital purposes.</p>
E.3	<b>Terms &amp; Conditions</b>	<p><b><i>The Issue</i></b></p> <p>The Issue comprises up to 136,363,636 Ordinary Shares to be issued at the Issue Price of 110 pence each pursuant to the Placing and Offer for Subscription.</p> <p>The Directors have reserved the right, in consultation with Jefferies, to increase the size of the Issue up to a maximum of 181,818,181 Ordinary Shares if overall demand exceeds 136,363,636 Ordinary Shares, with any such increase being announced through a Regulatory Information Service.</p> <p>In the event that Jefferies receives applications in excess of the number of Ordinary Shares available pursuant to the Issue, the Company reserves the right, at its sole discretion but after consultation with the Joint Financial Advisers, to scale back applications in such amounts as the Company considers appropriate.</p> <p><b><i>Conditions</i></b></p> <p>The Issue is conditional, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> <li>• Admission having become effective on or before 8.00 a.m. on 23 March 2015 or such later time and/or date as the Company and Jefferies may agree; and</li> <li>• the Issue Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission.</li> </ul> <p>If any of these conditions are not met, the Issue will not proceed.</p> <p><b><i>The Placing</i></b></p> <p>The Company, the Manager, Jefferies and Akur have entered into the Issue Placing Agreement, pursuant to which Jefferies has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Ordinary Shares to be made available in the Placing.</p> <p><b><i>The Offer for Subscription</i></b></p> <p>The Offer for Subscription is only being made in the UK.</p> <p>The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.</p>

		<p>Applications under the Offer for Subscription must be for a minimum of 10,000 Ordinary Shares and thereafter in multiples of 100 Ordinary Shares.</p> <p><b>Share Issuance Programme</b></p> <p>The Company has instituted the Share Issuance Programme pursuant to which Ordinary Shares will be made available to investors at an issue price calculated by reference to the Net Asset Value per Ordinary Share at the time of allotment, together with a premium intended to cover the costs and expenses of the placing (including, without limitation, any placing commissions).</p>
<b>E.4</b>	<b>Material Interests</b>	<p>The Manager currently provides asset management services to other investors who have a similar objective to that of the Company. In providing such services, information which is used by the Manager to manage the REIT Group's assets may also be used to provide similar services to other clients.</p> <p>So as to avoid conflicts of interests, the Manager manages its duties to the Company and to other funds for which it acts pursuant to the terms of the Investment Management Agreement (which includes conflicts provisions) and any other contracts which it may have entered into with such other investors.</p>
<b>E.5</b>	<b>Sellers</b>	<p>Not applicable. No person or entity is offering to sell Ordinary Shares as part of the Issue.</p>
<b>E.6</b>	<b>Dilution</b>	<p>The Ordinary Shares currently in issue shall be diluted by the issue of the Ordinary Shares pursuant to the Issue and the Share Issuance Programme.</p>
<b>E.7</b>	<b>Expenses</b>	<p>On the assumption that Gross Proceeds of £150 million are raised pursuant to the Issue, the expenses payable by the Company will not exceed £3 million (equivalent to two per cent. of Gross Proceeds), resulting in Net Proceeds of approximately £147 million.</p> <p>The Company shall, in the event Admission does not happen for whatever reason, settle all costs incurred by the REIT Group in connection with the Issue and Admission as soon as possible.</p> <p>The issue price of Ordinary Shares issued pursuant to the Share Issuance Programme will include a premium intended, <i>inter alia</i>, to cover the costs and expenses of the relevant placing of Ordinary Shares (including, without limitation, any placing commissions).</p>

**THIS REGISTRATION DOCUMENT, THE SECURITIES NOTE AND THE SUMMARY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately contact your stockbroker, accountant or other independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This Registration Document, the Securities Note and the Summary together constitute a prospectus relating to Tritax Big Box REIT plc (the "**Company**") (the "**Prospectus**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA, which has been approved by the FCA in accordance with section 85 of FSMA. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at [www.tritaxbigboxreit.co.uk](http://www.tritaxbigboxreit.co.uk).

This Registration Document is valid for a period of up to 12 months following its publication and will not be updated. A future prospectus for any issuance of additional Ordinary Shares may, for a period of up to 12 months from the date of the publication of this Registration Document, consist of this Registration Document, a Future Summary and Future Securities Note applicable to each issue and subject to a separate approval by the FCA on each issue. Persons receiving this Registration Document should read the Prospectus together as a whole and should be aware that any update in respect of a Future Summary and Future Securities Note may constitute a material change for the purposes of the Prospectus Rules.

This Registration Document includes particulars given in compliance with the listing rules of the CISEA for the purpose of giving information with regard to the Company. The Company and each of the Directors, whose names appear on page 14 of this Registration Document, accept responsibility for the information contained in this Registration Document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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## **TRITAX BIG BOX REIT PLC**

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 8215888 and registered as an investment company under section 833 of the Companies Act 2006)*

## **REGISTRATION DOCUMENT**

*Sponsor, Sole Global Coordinator and Bookrunner*

**JEFFERIES INTERNATIONAL LIMITED**

*Joint Financial Advisers*

**JEFFERIES INTERNATIONAL LIMITED**

and

**AKUR LIMITED**

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Jefferies International Limited ("**Jefferies**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no-one else, will not regard any other person (whether or not a recipient of this Registration Document) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Jefferies, nor for providing advice.

Akur Limited ("**Akur**") is an appointed representative of Capital Markets Strategy Limited which is authorised and regulated in the United Kingdom by the FCA. Akur is acting exclusively for the Company and for no-one else, will not regard any other person (whether or not a recipient of this Registration Document) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Akur, nor for providing advice.

Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies and Akur by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, each of Jefferies and Akur and any person affiliated with them do not accept any responsibility whatsoever and make no representation or warranty, express or implied, for the contents of this Registration Document, including its accuracy or completeness, or for any other statement made or purported to be made by any of them, or on behalf of them, by or on behalf of the Company or any other person in connection with the Company or the Ordinary Shares and nothing contained in this Registration Document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Jefferies and Akur and any of their respective affiliates accordingly disclaim to the fullest extent permitted by law all and any responsibility or liability whatsoever whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Registration Document or any such statement.

Investors should rely only on the information contained in this Registration Document (together with the Summary and Securities Note or any Future Summary and Future Securities Note). No person has been authorised to give any information or make any representations other than those contained in this Registration Document (together with the Summary and Securities Note or any Future Summary and Future Securities Note) and, if given or made, such information or representations must not be relied upon as having been so authorised by the REIT Group, the Manager or the Joint Financial Advisers. Without prejudice to the Company's obligations under the Prospectus Rules, neither the delivery of this Registration Document (together with the Summary and Securities Note or any Future Summary and Future Securities Note) nor any subscription for or purchase of Ordinary Shares, under any circumstances, creates any implication that there has been no change in the affairs of the REIT Group since, or that the information contained herein is correct at any time subsequent to, the date of this Registration Document.

Each of Jefferies and Akur and any their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Manager, for which they would have received customary fees. Each of Jefferies and Akur and any of their respective affiliates may provide such services to the Company and the Manager and any of their respective affiliates in the future.

Each of Jefferies and Akur and any of their respective affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own

account(s) in the Ordinary Shares and other securities of the Company or related investments. Accordingly, references in this Registration Document to Ordinary Shares being issued, offered, acquired subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Jefferies and Akur and any of their respective affiliates acting as an investor for its or their own account(s). Neither Jefferies nor Akur nor any of their respective affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Jefferies and Akur may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Jefferies and Akur may from time to time acquire, hold or dispose of shareholdings in the Company.

The contents of this Registration Document are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Ordinary Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or other any related matters concerning the Company and an investment therein. None of the REIT Group, the Manager or the Joint Financial Advisers or any of their respective representatives is making any representation to any offeree or purchaser of Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

No action has been taken to permit the distribution of this Registration Document in any jurisdiction other than the United Kingdom. Accordingly, this Registration Document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Registration Document is not being sent to investors with registered addresses in Canada, Australia, the Republic of South Africa, New Zealand, Japan or, except in the limited circumstances described below, the United States, and does not constitute an offer to sell, or the solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Registration Document is not for release, publication or distribution in or into Canada, Australia, the Republic of South Africa, New Zealand, Japan or, except in the limited circumstances described below, the United States.

The Company has not been, and will not be registered under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or with any other securities regulatory authority of any state or other jurisdiction of the United States, or under the applicable securities laws of Canada, Australia, the Republic of South Africa, New Zealand or Japan and, except as set forth below, may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, in or into the United States to, or for the account or benefit of, any US person, or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, New Zealand or Japan. Ordinary Shares will be offered and sold only: (i) outside the United States to, and for the account or benefit of, non-US persons in "offshore transactions" within the meaning of, and in reliance on, the exemption from registration provided by Regulation S under the Securities Act; and (ii) in a concurrent private placement in the United States to a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act that are also "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder.

This Registration Document has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey and may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than: (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended; or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000. The Guernsey Financial Services Commission does not vouch for the financial soundness of any subscription for Ordinary Shares or for the correctness of any statements made or opinions expressed with regard to it.

A copy of this Registration Document has been delivered to the Jersey Financial Services Commission (the "**Commission**") and an application has been submitted to the Commission for consent under Article 8 of the Control of Borrowing (Jersey) Order 1958 ("**COBO**") to the issue of Ordinary Shares. It must be distinctly understood that, in giving any consents, neither the Registrar of Companies nor the Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

In the Netherlands, this Registration Document has not been approved by and will not be submitted for approval to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**NAFM**") for the purposes of public offering or sale in the Netherlands. Therefore, in connection with any public offering, this Registration Document may only be distributed in the Netherlands to "qualified investors" (*gekwalficeerde beleggers*) as defined in article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the "**DFSA**"). This Registration Document does not constitute a personal recommendation or an investment recommendation pursuant to Netherlands law.

The Manager is authorised for the management of the Company and marketing of the Ordinary Shares in the United Kingdom and is supervised by the FCA. The Ordinary Shares described herein are offered, sold, transferred or delivered in the Netherlands on the basis of a European passport as referred to in Article 32 of the AIFMD. The Manager has submitted a notification to the FCA that it intends to market the Ordinary Shares in the Netherlands, as referred to in Article 32 of the AIFMD and will be informed by the FCA once the FCA has transmitted the notification file to the NAFM. Transmission means that neither the Manager nor the Company are subject to the license requirement for fund managers or investment institutions pursuant to the DFSA.

Copies of this Registration Document, the Securities Note and the Summary (along with any Future Securities Note and Future Summary) will be available on the Company's website (<http://www.tritaxbigboxreit.co.uk/>) and the National Storage Mechanism of the FCA at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm) and hard copies of the Prospectus can be obtained free of charge from the Receiving Agent, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and the offices of Taylor Wessing LLP at 5 New Street Square, London EC4A 3TW.



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## RISK FACTORS

Any investment in the Company is subject to a number of risks. Accordingly, prior to making any decision relating to any acquisition of Ordinary Shares, prospective investors should consider carefully the factors and risks associated with any investment in the Company and the REIT Group's business together with all other information contained in this Registration Document. In addition, specific risk factors in respect of the Ordinary Shares will be set out in the Summary and Securities Note or any Future Summary and Future Securities Note prepared in respect of this Registration Document.

The risks below are not the only ones that the Company will face. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. Any of these risks could materially affect the REIT Group, its reputation, business, results of operations and overall financial condition. In such a case, the market price of Ordinary Shares may decline and Shareholders could lose all or part of their investment.

### RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

#### ***The Company has a limited operating history***

The Company has a limited operating history upon which prospective inspectors may base an evaluation of the likely performance of the Company. Any investment in the Ordinary Shares is, therefore, subject to all of the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its Investment Objective and that the value of any investment made by the Company, and of the Ordinary Shares, could substantially decline.

#### ***Delays in the deployment of funds from share issues may affect distributions to Shareholders***

The Manager is currently engaged in negotiations with vendors regarding further potential investment opportunities, however the Company can provide no assurances that it will be able to acquire any further Big Box assets. Furthermore, the implementation of the Company's strategy is subject to a number of factors, some of which such as market conditions and property cycles may be beyond the control of the Investment Team. The failure to acquire any further properties will mean that the REIT Group will not receive further rental income, which is likely to adversely affect the Company's ability to meet its Investment Objectives and therefore result in an inability to make distributions to Shareholders.

There can be no assurance as to how long it will take for the Company to invest any or all of the proceeds from share issues in commercial property assets and it may not find suitable properties in which to invest all of the proceeds from share issues. The Company is likely to face competition from a variety of other potential purchasers in identifying and acquiring suitable properties. The longer the period before investment the greater the likelihood that the Company's financial condition, business, prospects and results of operations, and its ability to make distributions to Shareholders, will be materially adversely affected.

Market conditions may have a negative impact on the Company's ability to identify and execute investments in suitable assets that generate acceptable returns. As was evident during the recent market downturn, market conditions have had a significant negative impact on the availability of credit, property pricing and liquidity levels. Lenders continue to have tight lending criteria, lending lower multiples of income and increasing gearing restrictions. Furthermore, locating suitable properties, conducting due diligence, negotiating acceptable purchase contracts and ultimately completing the purchase of a property typically require a significant amount of time. The Company may face delays in locating and acquiring suitable investments (resulting in exposure to a risk of increasing property prices) and, once the properties are identified, there could also be delays in

completing the purchases, including delays in obtaining any necessary approvals. Necessary approvals may be refused, or granted only on onerous terms, and any such refusals, or the imposition of onerous terms, may result in an investment not proceeding as originally intended and could result in significant costs associated with aborting the transaction being incurred by the Company.

***The REIT Group's performance will depend on general real estate market conditions***

Both the condition of the real estate market and the overall UK economy will impact the returns of the Company, and hence may have a negative impact on or delay the REIT Group's ability to execute investments in suitable assets that generate acceptable returns. Market conditions may also negatively impact on the revenues earned from property assets and the price at which the REIT Group is able to dispose of these assets. In these circumstances, the Company's ability to make distributions to Shareholders from rental income could be affected which may, in turn, have an adverse effect on the REIT Group's performance, financial condition and business prospects.

***The Company's performance will depend on the performance of the UK retail sector and continued growth of online retail***

The Company will continue to focus exclusively on the UK Big Box sector, a sub-sector of the UK logistics market, therefore it will have direct reliance on the online and general retailer requirements in the UK. Retail is a dynamic sector and retail operators are directly affected by consumer behaviour and sentiment. The Company could be affected by shopping trends and alternative retail supply methods. A weakness in the UK retail sector and shifts in geographical focus, together with reliance on concentrated individual tenants may have an adverse effect on the REIT Group's performance, financial condition and business prospects.

***Increasing competition for investment property in the Big Box sector***

Big Box assets may appeal to a broad spread of potential investors including other listed property specialists and funds, together with pension/insurance companies and family offices. Other competitors may have greater financial resources than the Company or greater ability to borrow or leverage funds to acquire properties. With a limited supply of Big Box assets existing in the UK, coupled with long lead-in time for development of new Big Box assets, competition for available income producing properties may be strong, hence there is no assurance that the Company will be able to secure suitable assets. An inability to secure suitable investments will affect the Company's ability to meet distribution targets and may have an adverse effect on the REIT Group's performance, financial condition and business prospects.

***The REIT Group may not be able to dispose of its investments in a timely fashion and at satisfactory prices***

As property assets are expected to be relatively illiquid, such illiquidity may affect the REIT Group's ability to dispose of or liquidate its portfolio in a timely fashion. In addition, to the extent that market conditions are not favourable or deteriorate, the REIT Group may not be able to realise its real estate assets at satisfactory prices. This could result in a decrease in NAV and lower returns (if any) for Shareholders.

***The Company's investment strategy is to leverage its investments***

Acquisition of property investments will be funded partly by borrowings. If the value of the Company's assets falls, the NAV of the Company will reduce. The stability of any investment's cash flow will affect the level of borrowing used to acquire it. There is no assurance that credit will be available under acceptable commercial terms. This may impair the ability of the Company to make investments which in turn may have a material adverse effect on performance of the Company.

***The Company's borrowings will likely include loan to value covenants which will expose it to risks of equity value loss if asset prices decrease***

Acquisition of property investments may be funded partly by borrowings. If the value of the Company's assets falls, the NAV of the Company will reduce. Furthermore, the borrowings which the Company uses contain loan to value covenants, being the accepted market practice in the UK. If real estate assets owned by the Company decrease in value such covenants could be breached, the impact of such an event could include: an increase in borrowing costs; a call for additional capital from the lender; or payment of a fee to the lender; or in such cases where other remedies were not available, it could require a sale of an asset, or a forfeit of any asset to a lender, this could result in a total or partial loss of equity value for each specific asset, or indeed the REIT Group as a whole.

***The Company's potential use of a partial floating rate debt will expose it to risks of interest movements and counter-party risk***

The Company's strategy anticipates incurring debt with interest payable based on LIBOR and it intends to hedge or partially hedge interest rate exposure on borrowings, however such measures may not be sufficient to protect the Company from adverse movements in prevailing interest rates to the extent exposures are unhedged or hedges are inadequate to offer full protection. If exposures are unhedged, interest rate movements may lead to mark-to-market movements which may be positive or negative and upon breaking of such hedges may cause crystallisation of gains or losses for the Company. In addition, hedging arrangements expose the Company to credit risk in respect of the hedging counterparty. Increased exposure to interest movements may have a material effect on the Company's results of operations.

***The appraised value of the REIT Group's properties may not accurately reflect the current or future value of the REIT Group's assets***

The valuation of property is inherently subjective owing to the individual nature of each property and is based on a number of assumptions which may not turn out to be true, meaning that actual sale prices paid or received by the REIT Group (as applicable) may not reflect the valuations of the properties.

In determining the value of properties, the valuers are required to make assumptions in respect of matters including, but not limited to, the existence of willing sellers in uncertain market conditions, title, condition of structure and services, deleterious materials, plant and machinery and goodwill, environmental matters, statutory requirements and planning, expected future rental revenues from the property and other information. Such assumptions may prove to be inaccurate. Incorrect assumptions underlying the valuation reports could negatively affect the value of any property assets the Company acquires and thereby have a material adverse effect on the Company's financial condition. This is particularly so in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

To the extent valuations of the Company's properties do not fully reflect the value of the underlying properties, whether due to the above factors or otherwise, this may have a material adverse effect on the Company's financial condition, business prospects and results of operations.

***The Company can give no assurance as to how long it will take to invest proceeds from share issues***

Until such time as any proceeds from share issues are applied by the REIT Group to fund Big Box investments, they will be held by the Company on interest bearing deposit in anticipation of future

investment and to meet the running costs of the Company. Such deposits are very likely to yield lower returns than the expected returns from Big Box investment. The Company can give no assurance as to how long it will take it to invest any or all of the proceeds from share issues, if at all, and the longer the period the greater the likely adverse effect on the REIT Group's performance, financial condition and business prospects.

***The REIT Group may not acquire 100 per cent. control of its investments***

The Company's investment strategy does not restrict the REIT Group from entering into a variety of investment structures, such as joint ventures, acquisitions of controlling interests or acquisitions of minority interests (although the Directors do not currently propose that the REIT Group will take a passive or minority interest in Big Box investments). In the event that the REIT Group acquires less than a 100 per cent. interest in a particular asset, the remaining ownership interest will be held by third parties and the subsequent management and control of such an asset may entail risks associated with multiple owners and decision-makers. Any such investment also involves the risk that third party owners might become insolvent or fail to fund their share of any capital contribution which might be required. In addition, such third parties may have economic or other interests which are inconsistent with the REIT Group's interests, or they may obstruct the REIT Group's plans (for example, in implementing active asset management measures), or they may propose alternative plans. If such third parties are in a position to take or influence actions contrary to the REIT Group's interests and plans, the REIT Group may face the potential risk of impasses on decisions that affect the ability to implement its strategies and/or dispose of the real estate asset. The above circumstances may have a material adverse effect on the REIT Group's performance, financial condition and business prospects.

In addition, there is a risk of disputes between the REIT Group and third parties who have an interest in the Big Box asset in question. Any litigation or arbitration resulting from any such disputes may increase the REIT Group's expenses and distract the Directors and the Manager from focusing their time to fulfil the Investment Objective of the Company. The REIT Group may also, in certain circumstances, be liable for the actions of such third parties.

***Any costs associated with potential investments that do not proceed to completion will affect the Company's performance***

The Company expects to incur certain third party costs associated with sourcing of suitable assets. Whilst the Company will always seek to minimise any such costs, it can give no assurances as to the ongoing level of these costs or that negotiations to acquire such assets will be successful; the greater number of these deals which do not reach completion, the greater impact of such costs on the Company's performance, financial condition and business prospects.

***The Company may be subject to liability following disposal of investments***

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



***The Company's performance may be adversely affected by changes to planning legislation or practice***

The Company's ability to carry out management proposals to maximise returns from properties, including extensions and structural changes, together with the supply, through new development, of new Big Box units will be subject to planning decisions on a local and national level which could lead to delays and constraints on the Company's financial performance.

***A default by a major tenant could result in a significant loss of letting income, void costs, a reduction in asset value and increased bad debts***

As at 30 June 2014, the REIT Group's tenants account for the following annual rental income from the Portfolio:

- Tesco accounts for £3,919,804;
- Morrisons accounts for £5,419,574;
- Marks & Spencer accounts for £4,351,723;
- Sainsbury's accounts for £3,295,716; and
- Next accounts for £3,854,857.

A downturn in business, bankruptcy or insolvency could force a major tenant to default on its rental obligations and/or vacate the premises. Such a default could result in a loss of rental income, void costs, an increase in bad debts and decrease the value of the relevant property. Moreover, such a default may prevent the REIT Group from increasing rents or result in lease terminations by, or reductions in rent for, other tenants under the conditions of their leases. This is a particular risk in relation to any tenant in respect of which the Company might have the maximum permitted exposure under the investment policy. Any of the above impacts of a default by a major tenant could have a material adverse effect on the REIT Group's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. This risk factor would not apply to a developer in its capacity as the initial tenant of a property under development pursuant to a forward funded contract, as all rent payable by a developer is placed in a locked bank account in favour of the REIT Group at the commencement of the contract.

***Any forward funded projects will be subject to the hazards and risks normally associated with the construction and development of commercial real estate, any of which could result in increased costs and/or damage to persons or property***

The Investment Policy provides that the Company may purchase already built property assets or, in some circumstances, forward fund property assets that are in construction. While the Company does not currently own any forward funded property assets, it may decide to do so in the future. Forward funded projects are subject to the hazards and risks normally associated with the construction and development of commercial real estate, including personal injury and property damage. The occurrence of any of these events could result in increased operating costs, fines and legal fees and potentially in reputational damage or criminal prosecution of the Company, and its directors or management, all of which could have an adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

***The REIT Group will be dependent on the performance of third party contractors and sub-contractors who may fail to perform their contractual obligations***

Where the REIT Group seeks to create value by undertaking limited development of Big Box assets, or by investing in a pre-let but in-development asset, the REIT Group will be dependent on

the performance of third party contractors and sub-contractors. Whilst the REIT Group will seek to negotiate appropriate contracts to contain appropriate warranty protection, any failure to perform against contractual obligations on the part of a contractor could adversely impact the value of the REIT Group's property assets which may, in turn, have a material adverse effect on the REIT Group's performance, financial condition and business prospects.

In addition, there is a risk of disputes with third party contractors or sub-contractors should they fail to perform against contractual obligations. Any litigation or arbitration resulting from any such disputes may increase the REIT Group's expenses and distract the Directors from focusing their time to fulfil the strategy of the Company.

***Consequences of assignment by prospective tenants of properties that the REIT Group may acquire in the future***

The terms contained within the leases of properties acquired by the REIT Group are likely to vary from lease to lease and will be dependent upon the terms agreed between the original landlord and tenant at the time of the grant of the relevant lease. There is a risk that an assignor may not be required to give an authorised guarantee agreement or may only be required to do so if reasonably required by the landlord (as opposed to an absolute obligation to provide the guarantee). If an assignee is less creditworthy than the assignor, there would be an increased risk of tenant default, which could result in delays in receipt of rental and other contractual payments, inability to collect such payments at all or the termination of a tenant's lease.

***The Company may incur losses in excess of insurance proceeds, if any, or from uninsurable events***

The Company's properties may suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated for by insurance, or at all. Also there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not economically insurable. Should any uninsured loss or loss in excess of insured amounts be incurred, the Company may lose capital invested in that property as well as future revenue therefrom. In addition, the Company may be liable to repair damage caused by uninsured risks, as well as retaining debt or other obligations against the property. Any material uninsured losses may have an adverse effect on the REIT Group's performance, financial condition and business prospects.

***The discovery of previously undetected environmentally hazardous conditions in the REIT Group's properties could result in unforeseen remedial work or future liabilities even after disposal of such property***

Under applicable environmental laws, a current or previous property owner may be liable for the cost of removing or remediating hazardous or toxic substances on, under or in such property, which cost could be substantial. While the Manager will undertake environmental due diligence before acquiring future properties, there is still a risk that third parties may seek to recover from the REIT Group for personal injury or property damage associated with exposure to any release of hazardous substances. Payment of damages could adversely affect the Company's ability to make distributions to Shareholders from rental income.

Furthermore, the presence of environmentally hazardous substances, or the failure to remediate damage caused by such substances, may adversely affect the REIT Group's ability to sell or lease the relevant property at a level that would support the Company's investment strategy which would, in turn, have a material adverse effect on the REIT Group's performance, financial condition and business prospects.

## **RISKS RELATING TO THE MANAGER**

### ***The REIT Group will continue to be dependent on the efforts of the Manager and the Investment Team, together with the performance and retention of key personnel***

The REIT Group will continue to be reliant on the management and advisory services the Company receives from the Manager. As a result, the REIT Group's performance will, to a large extent, be dependent upon the ability of the Manager. Any failure to source assets, execute transactions or manage investments by the Manager may have a material adverse effect on the REIT Group's performance. Furthermore, there can be no assurance as to the continued involvement of the Investment Team with the Manager or (indirectly) with the REIT Group. The departure of any of the Investment Team without adequate replacement may also have a material adverse effect on the REIT Group's performance. However, suitable key person provisions are contained in the Investment Management Agreement as summarised in paragraph 7 of Part 4 of this Registration Document.

The Manager is also responsible for carrying out the day to day management of the Company's affairs and, therefore, any disruption to the services of the Manager (whether due to termination of the Investment Management Agreement or otherwise) could cause a significant disruption to the Company's operations until a suitable replacement is found.

In addition, the Company only has limited control over the personnel of or used by the Manager. If any such personnel were to do anything or be alleged to do anything that may be the subject of public criticism or other negative publicity or may lead to investigation, litigation or sanction, this may have an adverse impact on the Company by association, even if the criticism or publicity is factually inaccurate or unfounded and notwithstanding that the Company may have no involvement with, or control over, the relevant act or alleged act. Any damage to the reputation of the personnel of the Manager could result in potential counterparties and other third parties such as occupiers, landlords, joint venture partners, lenders or developers being unwilling to deal with the Manager and/or the Company. This may have a material adverse effect on the ability of the Company to successfully pursue its investment strategy and may have a material adverse effect on the Company's financial condition, business prospects and results of operations.

### ***The past or current performance of the Company, the Manager or the Investment Team is not a guarantee of the future performance of the REIT Group***

The past or current performance of the other funds or entities currently or previously managed or operated by the Company, the Manager or the Investment Team is not indicative, or intended to be indicative, of future performance of the Company. There are differences between funds and entities currently or previously managed which may affect their respective returns, significant differences in prevailing market conditions and the Company's listed structure.

The previous experience of the Investment Team and companies and ventures advised and/or operated by members of the Investment Team may not be directly comparable with the Company's current business. Differences between the circumstances of the Company and the circumstances under which the track record information in this Registration Document was generated include (but are not limited to) actual acquisitions and investments made, investment objectives, fee arrangements, structure (including for tax purposes), terms, leverage, performance targets, market conditions and investment horizons. All of these factors can affect returns and impact the usefulness of performance comparisons and, as a result, none of the historical information contained in this Registration Document is directly comparable to the Company's business or the returns which the Company may generate.

### ***The interests of the Manager may differ from those of the Shareholders***

Notwithstanding the Board's belief that the Manager's fees and conflict policy have been structured to provide an alignment of interest between the Manager and the Shareholders, the interests of the Manager may differ from those of the Shareholders. Accordingly, the REIT Group may be exposed to greater risk in its investment portfolio which may, in turn, have a material adverse effect on the REIT Group's performance, financial condition and business prospects.

### ***The Manager's acquisition due diligence may not identify all risks and liabilities***

Prior to entering into any agreement to acquire any property, the Manager, on behalf of the REIT Group, will perform or procure the performance of due diligence on the proposed acquisition target. In so doing, they would typically rely in part on third parties to conduct a significant portion of this due diligence (such as surveyors' reports and legal reports on title and property valuations).

To the extent the REIT Group, the Manager or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the REIT Group may incur, directly or indirectly, unexpected liabilities, such as defects in title, an inability to obtain permits, or environmental, structural or operational defects requiring remediation. In addition, if there is a failure of due diligence, there may be a risk that properties are acquired which are not consistent with the Company's Investment Objective and Investment Policy, that properties are acquired that fail to perform in accordance with projections or that material defects or liabilities are not covered by insurance proceeds. This may, in turn, have a material adverse effect on the REIT Group's performance, financial condition and business prospects.

## **RISKS RELATING TO STRUCTURE, REGULATION AND TAXATION**

### ***If the REIT Group fails to remain qualified as a REIT, its rental income and gains will be subject to UK corporation tax***

The Company cannot guarantee the continued compliance with all of the REIT conditions and there is a risk that the REIT regime may cease to apply in certain circumstances. If the REIT Group fails to remain qualified as a REIT, members of the REIT Group may be subject to UK corporation tax on some or all of their property rental income and chargeable gains on the sale of properties which would reduce the amounts available to distribute to investors.

### ***Adverse changes in taxation law and in the tax position of the Company***

This Registration Document is prepared in accordance with current taxation laws and practice in the UK. UK taxation legislation and interpretation is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors. Any change in the Company's tax position or status or in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or tax rates, could adversely affect the Company's ability to pay dividends, dividend growth and the market value of the Ordinary Shares and thus may alter the net return to investors. In particular, an increase in the rates of SDLT could have a material impact on the price at which UK land can be acquired and, therefore, on asset values. The UK government has been known to introduce retrospective tax legislation and this cannot be ruled out in the future.

### ***Distribution requirements may limit the REIT Group's flexibility in executing the Company's acquisition plans***

The Company's business model contemplates future growth to its investment portfolio through the acquisition of Big Box assets. However, to obtain full exemption from tax on the Tax-Exempt Business afforded by the REIT regime, the Company is required to distribute annually (either in cash or by way of stock dividend) to Shareholders, at least 90 per cent. of the REIT Group's rental

income as calculated for tax purposes each year by way of Property Income Distribution. The Company would be required to pay tax at regular corporate rates on any shortfall to the extent that it distributes as a Property Income distribution less than the amount required to meet the 90 per cent. distribution test each year. Therefore, the REIT Group's ability to grow its investment portfolio through acquisitions with a value in excess of its permitted retained earnings and uninvested capital will be limited by the REIT Group's ability to obtain further debt or equity financing.

***Disposal of properties may have unfavourable tax consequences***

Although the SPVs are not trading entities, if an SPV disposes of a property in a manner indicative of a company that is trading in property rather than investing, the property may be treated as having been disposed of in the course of a trade, and any gain will be subject to corporation tax at regular corporate rates. For example, acquiring a property with a view to sale followed by a disposal on completion of the development would indicate a trading activity, whereas disposal of a property as part of a normal variation of a property rental portfolio after development with a view to retention as part of that portfolio, would not. Further, where development of a property has occurred following acquisition and the cost of development exceeds 30 per cent. of the fair value of the property at the later of the date of the acquisition of the property or the date the REIT Group qualified as a REIT, the proceeds will be taxable if a disposal takes place within three years of completion of the development. However, a tax charge does not arise where the disposal is made to another member of the same REIT group.

Whilst the Company does not intend that the SPVs will dispose of property in the course of a trade, there can be no assurance that HMRC will not deem a disposal to have been in the course of a trade, with the consequence that corporation tax will be payable in respect of any profits from the disposal of such property.

***The REIT Group's status as a REIT may restrict business consolidation opportunities and distribution opportunities to Shareholders***

If the Company is acquired by an entity that is not a REIT, the REIT Group is likely in most cases to fail to meet the requirements for being a REIT. If so, the REIT Group will be treated as leaving the REIT regime at the end of the accounting period preceding the takeover and ceasing from the end of that accounting period to benefit from the regime's tax exemptions. In addition, a REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a Substantial Shareholder. This additional tax charge will not be incurred if the Company has taken reasonable steps to avoid paying dividends to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where dividends may become payable to a Substantial Shareholder. These provisions provide the Directors with powers to identify Substantial Shareholders and to prohibit the payment of dividends on Ordinary Shares that form part of a Substantial Shareholding, unless certain conditions are met.

The Articles also allow the Board to require the disposal of Ordinary Shares forming part of a Substantial Shareholding in certain circumstances where the Substantial Shareholder has failed to comply with the above provisions.

Accordingly, while there is no prohibition on the Company being acquired, there might be potentially negative tax consequences of such an acquisition if made by an entity which itself is not a REIT which might make such an acquisition less likely than would be the case for other types of companies.



***The AIFM Directive may impair the ability of the investment team to manage investments of the Company, which may materially adversely affect the Company's ability to implement its Investment Policy and achieve its Investment Objective***

The AIFMD, which was to be transposed by EU member states into national law on 22 July 2013, imposes a new regime for EU managers of AIFs and in respect of marketing of AIFs in the EU. The AIFMD has been transposed in the UK by the UK AIFMD Rules. The AIFMD requires that EU AIFMs of AIFs are authorised and regulated as such.

Based on the provisions of AIFMD and the UK AIFMD Rules, the Company is an AIF within the scope of AIFMD and the UK AIFMD Rules. The Company intends to operate as an externally managed AIF, with the Manager being the Company's AIFM. The Manager became authorised by the FCA as an AIFM on 1 July 2014.

As an FCA authorised AIFM, the Manager must comply with various organisational, operational and transparency obligations. In complying with these obligations the Company and the Manager may be required to amend its Investment Policy, provide additional or different information to or update information given to investors and appoint or replace external service providers that the Company intends to use, including those referred to in this Registration Document. In addition, in requiring AIFMs to comply with these organisational, operational and transparency obligations, the AIFMD is likely to increase management and operating costs, in particular regulatory and compliance costs, of the Company and Manager.

If the Manager does not or cannot maintain its authorisation under the AIFMD, the operation of the Company or the marketing of Shares to investors in the EU may be prohibited or the ability to market shares in the Company may be impaired. This may adversely impact the Company's ability to raise further capital and manage and/or add to the Company's property portfolio in future. It may also require the Company to appoint an alternative manager with the required authorisation to replace the Manager as manager of the Company.

The ability of the Company or Manager to market the Shares in member states will depend on how the relevant member state has implemented AIFMD and the Company's and Manager's willingness to comply with the member states AIFMD derived marketing requirements, any other requirements of the member state and the availability of any transitional provisions in that member state. Such requirements and any lack of transitional provisions may restrict the Company's ability to raise additional capital from the offer or placing of Shares in one or more member state.

## DIRECTORS, MANAGEMENT AND ADVISERS

<b>Directors</b>	<p>Richard Jewson (<i>Non-executive Chairman</i>)  Jim Prower (<i>Non-executive Director</i>)  Mark Shaw (<i>Non-executive Director</i>)  Stephen Smith (<i>Non-executive Director</i>)</p> <p>all of</p>
<b>Registered Office</b>	<p>Aberdeen House  South Road  Haywards Heath  West Sussex  RH16 4NG</p>
<b>Manager</b>	<p>Tritax Management LLP  Aberdeen House  South Road  Haywards Heath  West Sussex  RH16 4NG</p>
<b>Joint Financial Advisers</b>	<p>Akur Limited  23 Bruton Street  Mayfair  London  W1J 6QF</p> <p>Jefferies International Limited  Vintners Place  68 Upper Thames Street  London  EC4V 3BJ</p>
<b>Sponsor, Sole Global Coordinator and Bookrunner</b>	<p>Jefferies International Limited  Vintners Place  68 Upper Thames Street  London  EC4V 3BJ</p>
<b>Legal Advisers to the Company as to English law</b>	<p>Taylor Wessing LLP  5 New Street Square  London  EC4A 3TW</p>
<b>Legal Advisers to the Company as to US law</b>	<p>Goodwin Proctor LLP  The New York Times Building  620 Eighth Avenue  New York  NY 10118</p>

<b>Legal Advisers to the Joint Financial Advisers and Sponsor, Sole Global Coordinator and Bookrunner as to English and US law</b>	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
<b>Auditor &amp; Reporting Accountant</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Company Secretary</b>	Taylor Wessing Secretaries Limited 5 New Street Square London EC4A 3TW
<b>Registrar and Receiving Agent</b>	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Administrator</b>	Capita Sinclair Henderson Limited Beaufort House 51 New North Road Exeter EX4 4EP
<b>Principal Bankers</b>	Barclays Bank PLC PO Box 3333 One Snowhill Snow Hill Queensway Birmingham B3 2WN

## IMPORTANT INFORMATION

### GENERAL

This Registration Document should be read in its entirety, along with Summary and Securities Note or any Future Summary and Future Securities Note, before making any application for Ordinary Shares. In assessing an investment in the Company, investors should rely only on the information in this Registration Document (together with the Summary and Securities Note or any Future Summary and Future Securities Note). No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares other than those contained in this Registration Document (together with the Summary and Securities Note or any Future Summary and Future Securities Note), and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Board, the Manager, Jefferies or Akur or any of their respective affiliates, directors, officers, employees or agents or any other person.

Without prejudice to any obligation of the Company to publish a supplementary prospectus, neither the delivery of this Registration Document (together with the Summary and Securities Note or any Future Summary and Future Securities Note) nor any subscription or purchase of Ordinary Shares made pursuant to this Registration Document (together with the Summary and Securities Note or any Future Summary and Future Securities Note) shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Registration Document.

Prospective investors should not treat the contents of this Registration Document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to:

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

Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Ordinary Shares.

Apart from the liabilities and responsibilities (if any) which may be imposed on Jefferies or Akur by FSMA or the regulatory regime established thereunder, neither Jefferies nor Akur make any representation or warranty, express or implied, nor accept any responsibility whatsoever for the contents of this Registration Document including its accuracy, completeness or verification or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Manager or the Ordinary Shares. Each of Jefferies and Akur (and their respective affiliates, directors, officers or employees) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which they might otherwise have in respect of this Registration Document or any such statement.

This Registration Document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this

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

Each of the Joint Financial Advisers and any of their affiliates acting as an investor for its or their own account(s), may subscribe for the Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments. Accordingly, references in this Registration Document to the Ordinary Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, each of the Joint Financial Advisers and any of their affiliates acting as an investor for its or their own account(s). Neither of the Joint Financial Advisers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

## **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

### ***Prospectus Directive***

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

- to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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



## **AIFMD**

In relation to each member state in the European Economic Area that has implemented the AIFMD, no Ordinary Shares have been or will be directly or indirectly offered to or placed with investors in that member state at the initiative of or on behalf of the Company or Manager other than in accordance with methods permitted in that member state, which may include but are not limited to marketing under Article 32 of AIFMD, any available transitional provisions in the relevant member state or any applicable private placement regime.

## **FOR THE ATTENTION OF OVERSEAS INVESTORS**

The attention of investors who are not resident in, or who are not citizens of, the United Kingdom is drawn to the paragraphs below.

The offer of Ordinary Shares to persons who are resident in, or citizens of, countries other than the United Kingdom ("**Overseas Investors**") may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Ordinary Shares. It is the responsibility of all Overseas Investors receiving this Registration Document and/or wishing to subscribe for Ordinary Shares to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this Registration Document in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

The Company reserves the right to treat as invalid any commitment to subscribe for Ordinary Shares if it appears to the Company or its agents to have been entered into by, subject to certain exceptions, a US Person or a person in the United States, or by a person in Canada, Australia, the Republic of South Africa, New Zealand or Japan, or otherwise entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

## **UNITED STATES (U.S.) TAX WITHHOLDING AND REPORTING UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")**

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

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

In general, an IRS Agreement will require an FFI to obtain and report information about its “U.S. accounts”, which include equity interests in a non-U.S. entity other than interests regularly traded on an established securities market. The following assumes that the Company will be an FFI and that its Ordinary Shares will not be considered regularly traded on an established securities market for purposes of FATCA. The Company’s reporting obligations under FATCA would generally be less extensive if its Ordinary Shares were considered regularly traded on an established securities market for purposes of FATCA. An IRS Agreement would require the Company (or an intermediary financial institution, broker or agent (each, an “**Intermediary**”) through which a beneficial owner holds its interest in Ordinary Shares) to agree to: (i) obtain certain identifying information regarding the holder of such Ordinary Shares to determine whether the holder is a U.S. person or a U.S. owned foreign entity and to periodically provide identifying information about the holder to the IRS; and (ii) comply with withholding and other requirements. In order to comply with its information reporting obligation under the IRS Agreement, the Company will be obliged to obtain information from all Shareholders. To the extent that any payments in respect of the Ordinary Shares are made to a Shareholder by an Intermediary, such Shareholder may be required to comply with the Intermediary’s requests for identifying information that would permit the Intermediary to comply with its own IRS Agreement. Any Shareholder that fails to properly comply with the Company’s or an Intermediary’s requests for certifications and identifying information or, if applicable, a waiver of non-US law prohibiting the release of such information to a taxing authority, will be treated as a “**Recalcitrant Holder**”. The Company will not be required to enter into an IRS Agreement provided that it complies with legislation enacted by the UK that generally requires similar information to be collected and reported to the UK authorities.

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

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

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

The foregoing is only a general summary of certain provisions of FATCA. Prospective investors should consult with their own tax advisors regarding the application of FATCA to their investment in the Company. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

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

## FORWARD-LOOKING STATEMENTS

This Registration Document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Registration Document and include statements regarding the intentions, beliefs or current expectations of the REIT Group and the Tritax Group concerning, amongst other things, the Investment Objectives and Investment Policy, investment performance, results of operations, financial condition, prospects, and dividend policy of the REIT Group and the markets in which it is involved. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The REIT Group’s actual investment performance, results of operations, financial condition and dividend policy may differ materially from the impression created by the forward-looking statements contained in this Registration Document. In addition, even if the investment performance, results of operations and financial condition of the Company are consistent with the forward-looking statements contained in this Registration Document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company’s ability to achieve its Investment Objective and returns on equity for investors;
- the ability of the Manager and the Investment Team to execute successfully the Investment Policy of the Company;
- the Company’s short operating history and the track record of the Manager and its affiliates not being indicative of the Company’s future performance;
- the ability of the Company to invest the proceeds of share issues in suitable investments on a timely basis;
- impairments in the value of investments by the REIT Group;
- the availability and cost of capital for future investments;
- competition within the industries in which the REIT Group operates;
- the termination of, or failure of the Manager to perform its obligations under the Investment Management Agreement;
- the departure of members of the Investment Team;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the REIT Group; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the “Risk Factors” section of this Registration Document for a discussion of additional factors that could cause the Company’s actual results to differ materially before making an investment decision. Forward-looking statements speak only as at the date of this Registration Document.

Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement. The information in this Registration Document will, however, be updated as required by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules.

Nothing in this Registration Document qualifies or should be deemed to qualify the working capital statement given in the Summary or the Securities Note (or any Future Summary or Future Securities Note).

## **FURTHER SHARE ISSUES**

This Registration Document assumes that no further Ordinary Shares will be issued after the date of this Registration Document and before the completion of the Issue. This Registration Document is valid for a period of up to 12 months following its publication. The Company may issue up to 495.6 million additional Ordinary Shares at any time within a period of up to 12 months from the date of this Registration Document in connection with the Issue and the Share Issuance Programme. The prospectus for any issuance of additional Ordinary Shares may, for a period of up to 12 months from the date of the publication of this Registration Document, consist of this Registration Document which will not be updated and a Future Summary and Future Securities Note which will be applicable to each issue and subject to separate approval by the FCA on each issue. Persons receiving this Registration Document should read the Prospectus (or any future prospectus) together as a whole and should be aware that any update in respect of a Future Summary and Future Securities Note may constitute a material change for the purposes of the Prospectus Rules.

## **PRESENTATION OF FINANCIAL INFORMATION AND OTHER DATA**

### **PRESENTATION OF FINANCIAL INFORMATION**

The Company prepares its financial information under IFRS and in accordance with EPRA's best practice recommendations.

The financial information contained in this Registration Document, including that financial information presented in a number of tables in this Registration Document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Registration Document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

### **PRESENTATION OF INDUSTRY, MARKET AND OTHER DATA**

This Registration Document includes certain market, economic and industry data, which were obtained by the Company from industry publications, data and reports compiled by professional organisations, analysts and data from other external sources. Where information has been referenced in this Registration Document, the source of that third party information has been disclosed. The Company and the Directors confirm that all information contained in this Registration Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates and the Directors' knowledge of the UK property market.

### **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this Registration Document to "GBP", "Sterling", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK.

### **REFERENCES TO DEFINED TERMS**

Certain terms used in this Registration Document, including capitalised terms and certain technical and other terms are explained in Part 10 of this Registration Document.

### **TIMES AND DATES**

References to times and dates in this Registration Document are, unless otherwise stated, to United Kingdom times and dates.

### **NO INCORPORATION OF WEBSITE INFORMATION**

The Company's website address is [www.tritaxbigboxreit.co.uk](http://www.tritaxbigboxreit.co.uk). The contents of the Company's website do not form part of this Registration Document.

### **GOVERNING LAW**

Unless otherwise stated, statements made in this Registration Document are based on the law and practice currently in force in England and are subject to changes therein.



## PART 1

### INFORMATION ON THE COMPANY

#### 1. INTRODUCTION

The Company is incorporated in England and Wales as a closed-ended investment company for the purpose of delivering income and capital returns to Shareholders through investment in Big Box assets in the UK. The Ordinary Shares were admitted to trading on the Specialist Fund Market of the London Stock Exchange and the CISEA and all Ordinary Shares were listed on the Official List of the CISEA on 9 December 2013, raising gross proceeds of £200 million through the issue of 200,000,000 Ordinary Shares at a price of 100 pence per Ordinary Share.

As at 31 May 2014, the Company had successfully invested £187.7 million of the net proceeds raised in connection with the IPO. As at that date, the market value of the Portfolio was £200.1 million and the audited Net Asset Value per Ordinary Share as at 31 May 2014 was 104.53 pence. In June 2014, the Company raised further gross proceeds of approximately £20.8 million through a follow-on placing of a further 19,980,000 Ordinary Shares (representing 9.99 per cent. of the Company's issued share capital at that time), in order to assist in financing the acquisition of a further two assets with an aggregate market value of £159.2 million. As at 30 June 2014, the market value of the Portfolio was £360.74 million and the unaudited Net Asset Value per Ordinary Share was 101.85 pence, prior to adjusting for the first interim dividend declared today of 1.85 pence per Ordinary Share. As at 7 July 2014, the Company had a market capitalisation of approximately £230.7 million.

Prior to the IPO, Barclays signed a letter of intent to provide senior debt facilities of approximately £150 million to the Company. To date, the Company has signed agreements with Barclays for debt facilities in relation to five separate assets amounting to, in aggregate, £155.2 million, secured on the respective assets (the terms of such facilities are summarised in paragraphs 12.4, 12.6, 12.8, 12.11 and 12.13 of Part 9 of this Registration Document), equivalent to a loan to value ratio of approximately 43 per cent. on the Portfolio as at 30 June 2014.

As stated at the time of the IPO, the Directors' objective has been to move the Company to the Official List of the FCA as soon as practicable, *inter alia*, once it had met the applicable listing criteria. The Company is, therefore, seeking to move the trading of its entire issued and to be issued share capital from the Specialist Fund Market and the Official List of the CISEA to the Main Market of the London Stock Exchange and to list on the Official List of the FCA. The Directors believe that such a move is in the best interests of the Company and Shareholders as a whole.

In order to meet the applicable criteria of the Listing Rules, the Directors have made certain changes to the Investment Policy, including specifying investment limits in relation to both single asset exposure and maximum level of aggregate borrowings. The Directors do not believe these changes are material and as such do not require shareholder approval. The Company's Investment Policy is set out in paragraph 7 of this Part 1.

A key benefit of the move to the Official List is that the Company will become eligible for inclusion in both the FTSE EPRA/NAREIT index series and the FTSE UK index series which is expected to make the Company's shares more attractive to a broader range of institutional investors.

## 2. BACKGROUND ON THE COMPANY

The Company is focused on investment in Big Box assets in the UK. As stated at the time of the IPO, the Directors believe that the Big Box asset class facilitates the delivery of cost savings and convenience being demanded both by the growth in online retail in the UK and the transformation of the UK retail environment and they continue to hold this belief.

Over the previous few years, there has been a significant transformation in the UK, moving from the High Street towards online retailing. This transformation has taken shape in the growth of pure online retailers (e.g. Amazon/Ocado), as well as more hybrid models (e.g. John Lewis/Next), which are being adopted by both new and established retailers alike. This shift has been facilitated by the use of very large, highly efficient distribution centres and logistics hubs, focused on lowering the costs of distributing and delivering products – the Big Box distribution asset.

Big Box assets have a scarcity value, high barriers to entry, and are in strong demand from high quality tenants. They typically command very long leases and upward-only rental reviews, delivering an inflation linked (or pseudo-inflation linked) rising income stream over time, coupled with the potential for capital appreciation.

With online retail forecasted by some commentators to account for £140 billion of sales in the UK by 2016 from £86 billion in 2011 (20 per cent. year on year growth) and retailers continuing to seek improved economies of scale, reduced costs and greater convenience for consumers, demand for modern Big Box assets is significantly outstripping supply. The Company offers one of the few ways to access this asset class in a transparent and focused REIT.

The Company's Manager is Tritax Management LLP which is part of the Tritax Group. The Tritax Group is one of the UK's most experienced niche real estate investment fund managers and it has particular expertise in the Big Box sector.

Since 1995, the Tritax Group has acquired and developed commercial property assets with an acquisition value of approximately £2.5 billion on behalf of property unit trusts, limited partnerships and syndicates, involving more than 120 separate investment vehicles, including Big Box assets, industrial properties, office, retail, and hotels. As at 1 July 2014, the Tritax Group had total assets under management with an acquisition value of approximately £1.4 billion, across more than 20 investment vehicles (including the Company), consisting of over 9 million sq. ft. of real estate assets.

Since 2000, the Tritax Group has delivered an average exit IRR across its non-tax products of approximately 18.0 per cent. per annum, with a number of its tax products achieving performance in excess of this average. Its recent tenant list (excluding the Company's tenants) includes Amazon, Next Group plc, Intercontinental Hotels Group, Sainsbury's, RBS, Royal Mail, Tesco, IBM, HMRC, Halfords, GDF Suez, Accor, and Asda. As at 1 July 2014, it had a rent roll collection of more than £51 million from its assets.

The Company, as the principal company of the REIT Group, gave notice to HMRC (in accordance with section 523 of the CTA 2010) that the REIT Group had become a UK REIT on the day of acquisition of the first asset following the IPO. As a UK REIT, it complies with certain ongoing regulations and conditions (including minimum distribution requirements). Further information on REITs is set out in paragraph 12 of this Part 1 below.

### 3. NET ASSET VALUE UPDATE

The Company has today published an audited Net Asset Value per Ordinary Share as at 31 May 2014 of 104.53 pence. The Company has also today published an unaudited Net Asset Value per Ordinary Share as at 30 June 2014 of 101.85 pence per Ordinary Share, prior to adjusting for the first interim dividend declared today by the Company of 1.85 pence per Ordinary Share. The reduction in Net Asset Value per Ordinary Share between 31 May 2014 and 30 June 2014 relates to the acquisition costs incurred on the acquisition of Next Big Box and Morrisons Big Box in June 2014.

### 4. PORTFOLIO DEVELOPMENT

Since the IPO, the Manager has identified and acquired a number of assets that met the Company's Investment Objective and Investment Policy. As at the date of this Registration Document, the Company's Portfolio comprises the following assets:

<i>Counterparty</i>	<i>Location</i>	<i>Size (sq. ft.)</i>	<i>Date of acquisition</i>	<i>Market value (£m)</i>
Sainsbury's	Leeds	570,800	December 13	53.25
Marks & Spencer	Castle Donington	906,240	December 13	88.50
Tesco	Chesterfield	501,751	March 14	30.49
Tesco	Didcot	288,259	April 14	29.30
Next	Doncaster	755,052	June 14	60.70
Morrisons	Sittingbourne	919,443	June 14	98.50
		<u>3,942,095</u>		<u>360.74</u>

Further information on the Portfolio is set out in Part 2 of this Registration Document.

The Directors and Manager believe that there is a strong pipeline of other assets which meet the Company's Investment Objective and Investment Policy and which offer a similar return profile to the current Portfolio. The Manager has entered into detailed discussions with the current vendors of such pipeline assets to ascertain their availability for purchase on indicative terms. The Manager has undertaken its own due diligence and negotiations in connection with some of these potential assets. The Directors may or may not accept these or other assets as being suitable for the Company and may or may not proceed with the acquisition of any such opportunities. It is anticipated that any further investments will be acquired out of existing cash resources, borrowings, funds raised from the Issue or the Share Issuance Programme or any combination of these.

As at the date of this Registration Document, the Company has no contractual obligations with further potential vendors of suitable assets in place but the Manager and the Board believe that with the Manager's experience and the preparatory work undertaken by the Manager to date, suitable assets will be identified and could potentially be acquired in a relatively short time period following Admission. Accordingly, the Directors are confident that sufficient suitable assets will be identified, assessed and acquired, to substantially invest or commit the net proceeds from the Issue within a three to four month period following Admission.

### 5. BIG BOX ASSETS

There is currently significant demand for modern Big Box assets, with occupier demand outstripping supply. There are significant barriers to entry for site acquisition and development, including planning permission constraints and availability of land with the requisite infrastructure and transportation links. There is currently almost no speculative

Big Box development located in the UK, although there is no guarantee that this trend will continue given the current demand for Big Box assets.

The Directors believe that Big Box assets are currently one of the most attractive and secure asset classes in which to invest for income and capital preservation. Compared to other asset classes and other sectors within the property market, Big Box assets offer attractive yields, in particular those with the low risk profile inherent within the type of assets being targeted by the Company. The assets are typically modern buildings, very well located for their purpose (logistics distribution) and let for long unexpired terms. The Company is targeting income streams of typically between 12 and 25 years (but will consider shorter terms on a case-by-case basis as part of an integrated value driven strategy). Due to the scale of the assets, typically only the largest companies operating in the UK economy are able to sign leases on such properties.

Commercial property is typically regarded as a good hedge against inflation and its long-term investment characteristics make it, in the view of the Directors and the Manager, a suitable asset class for medium to long term income investing. Inflation-proofing can be effected through rising capital values and from increasing rental income via open market reviews (reflecting the growth in market rents). Big Box assets are one of the only sectors of the commercial property market where financially strong tenants occupying prime grade property are prepared to commit to long term leases with either fixed or index-linked (to RPI or CPI) rental increases, providing greater certainty of rental growth and inflation-proofing.

Big Box assets are, by definition, large assets which, when let, tend to command an investment unit size of at least £35 million. The Directors believe that, due to the size of the buildings and the cost of construction, development has, since the financial crisis, rarely been triggered without a financially strong tenant and a long lease commitment. In the view of the Directors, the main reason why financially strong tenants (commonly retailers or logistics companies) are prepared to sign leases which are so advantageous to landlords is due to demand significantly outstripping supply.

Over the previous decades, the UK has shifted from a domestic to a global economy. With the reduction in its manufacturing base, the UK is now predominately a services based economy, with a high proportion of imported goods. Many of the Big Boxes around the UK are well positioned near cargo ports or benefit from access to rail freight hubs in order to distribute the incoming goods efficiently. In recent years, with decreasing High Street consumer spend, retailers have focused on protecting margins via reducing costs rather than price growth. Improved economies of scale delivered by Big Boxes have been a key method of delivering this cost control.

Numerous retailers have consolidated their operations from multiple smaller distribution hubs to significantly fewer Big Boxes which serve as regional distribution centres. This consolidation produces management savings and operational efficiencies, but Big Boxes also tend to offer lower rents per sq. ft. due to scale. The typically high eaves heights provide the opportunity for taller racking and the potential for installing mezzanine floors which can significantly reduce costs on a cost per cubic foot basis.

Increased efficiencies in the UK distribution network and the drive for further cost savings are shaping the future of the UK High Street and other retail outlets, including supermarkets. The application of technology, coupled with strategic positioning of Big Box regional distribution hubs, has meant that products can be delivered more quickly and more cheaply to retail outlets. There is a consequent opportunity for retailers to hold less stock and therefore either reduce space requirements (with reduced rental liabilities) or convert storage areas to additional retail space and, thereby, potentially increase sales

revenues. As retail units hold less stock, they naturally become quasi-show rooms where the product can be seen and tested before ordering either in-store or online. 'Click and Collect' purchases have been a growing example of this trend, where purchases made online are collected in store, enabling the retailer to hold the stock at the store for a very short period of time.

The speed of product delivery to modern retail outlets is crucial. Reliability hinges on both the strategic positioning of distribution hubs and on the ability for such distribution hubs to be able to track the progress of delivery vehicles, matching packaged goods to HGV arrivals. This process is assisted by both computerised networks feeding stock information for automated re-stocking and by the hardware employed in the distribution hubs. The fit-out and mechanisation now employed in many Big Boxes, such as automated picking and conveyor systems, can be significant. Tenant investment in such fit-out can often exceed the cost of constructing the building. The Directors believe this expenditure represents a critical aspect of a tenant's commitment to the occupation of Big Box assets and hence the stability of the lease to the landlord.

A Big Box asset can typically be defined as having the following characteristics: (i) approximately 500,000 sq. ft. of floor area; (ii) a modern constructed building with eaves height of approximately 12 metres; (iii) a primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers; (iv) long leases with Institutional-Grade Tenants; (v) regular, upward only rental reviews, either at a pre-agreed level, linked to an inflation indicator, or to a market peer group; (vi) a prime geographical position to allow both efficient stocking (generally with close links to sea ports or rail freight hubs) and efficient downstream distribution; and (vii) sophisticated automation systems or a highly bespoke fit out.

In summary, the Big Box asset is "*a building which reduces the unit cost of delivery to as low a level as possible*". In the view of the Manager, location, scale, transportation links, workforce availability, internal efficiency (e.g. application of automation in picking and shipping systems), tenant and lease terms all dictate the quality of the asset.

## **6. INVESTMENT OBJECTIVE**

The Company's investment objective is to acquire UK Big Box assets benefiting from long-term leases with Institutional-Grade Tenants, to deliver, on a fully invested and geared basis:

- an initial targeted annual dividend yield of 6 per cent.<sup>1</sup> by reference to the IPO price at launch of 100 pence, with the potential to grow through upward-only inflation-protected long-term lease agreements; and
- a targeted net total shareholder return in excess of 9 per cent.<sup>1</sup> per annum over the medium term.

The Manager and Directors believe that Big Box assets are likely to represent attractive assets, as a result of the upward-only rent reviews contained in the leases of the assets, coupled with shortages in the asset class.

Furthermore, assets acquired by the Company will typically benefit from "triple net leases", being a lease agreement where the tenant agrees to pay all taxes, building insurance and

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<sup>1</sup> This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield or the target net total shareholder return (as the case may be) is reasonable or achievable.



maintenance costs on the property, in addition to all fees that are expected under the lease, such as rent and service charge.

Under such a lease, the tenant is responsible for all costs associated with the repair and maintenance of the building and consequently the risk profile for the Company (apart from uninsurable risks) is essentially limited to the creditworthiness of the tenant.

## 7. INVESTMENT POLICY

The Company intends to acquire well-located Big Box assets in the UK, let to tenants of sufficient size and stature that they merit attention by large national or international investors (“**Institutional-Grade Tenants**”) on long-term leases with regular upward only rent reviews. The Company will invest in these assets directly or through holdings in special purpose vehicles. It intends to invest in high quality assets, taking into account several factors, including:

- strength of the tenant covenant;
- terms of the lease, focusing on duration (typically with an unexpired lease term remaining of at least 12 years, however shorter terms will be considered on a case-by-case basis as part of an integrated value driven strategy) and potential rent review/growth; and
- property characteristics, including location, building quality, scale, transportation links, workforce availability and internal operational efficiencies.

The Company intends to deliver potential additional income and capital growth by the asset management services provided by the Manager. Rental income profiles, the condition of properties and their relative attractiveness to tenants can potentially be enhanced by the Manager. This further supports the Directors’ belief that the Company has the potential to deliver high quality and growing rental income, which is expected to contribute to capital appreciation.

The Company will only invest in assets with leases containing regular upward-only rental reviews. These reviews typically link the growth in rents to an inflation index such as RPI or CPI (potentially with a minimum and maximum level) or, alternatively, may have a fixed annual growth rate or be linked to market rate (which is in turn influenced by RPI/CPI). Such rental reviews typically take place every five years, with the rent review delivering an increase in the rent at the growth rate, compounded over the period. In this way, the income delivered to Shareholders should exhibit inflation-linked income characteristics.

The Company will neither undertake any development activity nor assume any development risk. However, the Company may from time to time seek to invest in assets which are in construction, provided they are pre-let to an acceptable counterparty. In such circumstances, the Company will seek to negotiate the receipt of immediate income from the asset. In the Manager’s experience and view, this approach to forward funded, pre-let assets should enable the Company to source high quality, lower-priced assets with reduced competition, than could be delivered from purely targeting built assets. Further, the ability to target pre-let, in-construction assets is likely to enable the Company to target more off-market opportunities. These pre-let assets also generally have the benefit of new leases which are commonly over 15 years in duration. The Directors believe that this approach has the potential to deliver enhanced returns for Shareholders.

The Manager will utilise its extensive contacts in the UK real estate market to source investment opportunities, in particular, through access to contacts such as banks,



institutions, property companies, REITs and historical relationships in addition to an existing network of investment agency contacts.

The Directors are focused on delivering capital growth over the medium term and hence intend to reinvest proceeds from future potential disposals in assets in accordance with the Company's Investment Policy. However, should the Company fail to re-invest the proceeds or part proceeds from any disposal within twelve months of receipt of the net proceeds from such disposal, the Directors intend to return those proceeds or part proceeds to Shareholders in a tax efficient manner as determined by the Directors, from time to time.

No material change will be made to the Investment Policy without the approval of Shareholders by ordinary resolution at any general meeting, which will also be notified by a RIS announcement.

#### 7.1 *Gearing*

The Company will seek to use gearing to enhance equity returns. The level of borrowing will be on a prudent basis for the asset class and will seek to achieve a low cost of funds, whilst maintaining flexibility in the underlying security requirements and the structure of both the Portfolio and the REIT Group.

The Directors intend that the REIT Group will maintain a conservative level of aggregate borrowings with a medium term target of 40 per cent. of the REIT Group's gross assets. However, the REIT Group's initial target level of aggregate borrowings will be approximately 45 per cent. of the REIT Group's gross assets. The aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown, of 50 per cent. of the REIT Group's gross assets.

Debt will be secured at the asset level without recourse to the Company and potentially at the Company level with or without a charge over some or all of the Company's assets, depending on the optimal structure for the Company and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles. The Company may borrow against both built and forward funded assets. In the case of any forward funded asset, debt will only be secured against such asset.

Notwithstanding the above, it should be noted that the Articles do not contain a limit to the Company's ability to borrow funds.

#### 7.2 *Use of derivatives*

The Company may utilise derivatives for efficient portfolio management. In particular, the Company may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases on borrowings incurred in accordance with paragraph 7.1 above as part of the Company's portfolio management. Any use of hedging will be restricted to a single asset, and will not affect any other asset.

#### 7.3 *Investment restrictions*

The Company will invest and manage its assets with the objective of delivering a high quality, diversified portfolio through the following investment restrictions:

- in the normal course, the maximum limit for any single asset will be 20 per cent. of gross assets calculated at the time of investment. However, during such time as the gross assets remain below £650 million (by reference to the latest published interim or annual financial statements), the maximum limit for any single asset will be 25 per cent. of gross assets (calculated at the time of investment) in order to facilitate the

ownership of certain larger Big Box assets which have either already been acquired or which may be acquired during the Company's initial growth period;

- the aggregate maximum exposure to forward funded assets will be limited to 25 per cent. of gross assets, calculated at the time of investment;
- the maximum exposure to any tenant or developer will be limited to 20 per cent. of gross assets once fully invested and geared in accordance with 7.1 above, following the Issue (thereafter, this limit will apply at the time of investment). However, from time to time, the Company may have a greater exposure to one particular tenant in the Portfolio where such tenant is, or whose parent company is, at the time of investment, included in the FTSE 350 or within the top 350 companies included in any non-UK index which is, in the reasonable opinion of the Board, comparable to the FTSE 350 ("**FTSE Tenant**"). The maximum exposure to any such FTSE Tenant, which will be limited to one FTSE Tenant in the Portfolio at any time, will be 30 per cent. of gross assets once fully invested and geared in accordance with 7.1 above, following the Issue (thereafter, this limit will apply at the time of investment);
- the Company will only invest in leased or pre-leased assets and will not invest in speculative developments;
- the Company will not invest in closed-ended investment companies;
- the Company will only invest in assets with Institutional-Grade Tenants;
- the Company will only invest in assets with leases with regular upward-only rent reviews; and
- all property assets will be located in the UK.

#### 7.4 *Other*

Cash held for working capital purposes or received by the REIT Group pending reinvestment or distribution will be held in Sterling only and invested in cash, cash equivalents, near cash instruments and money market instruments. The Board determines the cash management policy in consultation with the Manager.

The Directors at all times conduct the affairs of the Company so as to enable it to remain qualified as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

In the event of a breach of the Investment Policy and restrictions set out above, the Manager shall inform the Directors upon becoming aware of the same and, if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service.

## 8. **DIVIDEND POLICY**

The Company's stated intention is to pay dividends on a half-yearly basis. The first interim dividend of 1.85 pence per Ordinary Share was declared today in relation to the period from the IPO to 30 June 2014 with a record date of 18 July 2014. After careful consideration, the Directors have decided not to offer a scrip alternative in connection with the first interim dividend, which will be payable on or around 8 August 2014. For the avoidance of doubt, Ordinary Shares subscribed pursuant to the Issue will not rank for the first interim dividend.

The Board is targeting an initial annual dividend yield (on a fully invested and geared basis) of 6 per cent. by reference to the IPO issue price of 100 pence.<sup>2</sup> The Company will seek to grow the dividend over the medium term as rent reviews are triggered on the Portfolio. Over a five year period, the Directors expect that the dividend will grow at a rate reflecting CPI/RPI due to the upward only rent reviews typically contained in the leases of existing and target assets.

The Company is currently targeting a dividend of at least 2.3 pence per Ordinary Share for the six months ending 31 December 2014.<sup>3</sup> In arriving at this figure, the Directors have assumed that the Issue is fully subscribed and the net proceeds are invested on a straight line basis over a four month period following Admission, with suitable assets being acquired with similar return and gearing parameters as for the existing Portfolio.

The Directors will keep under review whether to offer a scrip alternative in respect of future dividends declared by the Company.

As a REIT, the Company is required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute a minimum of 90 per cent. of the income profits of the Property Rental Business for each accounting period, as adjusted for tax purposes.

## 9. COMPETITIVE ADVANTAGES

The Directors believe that the Company has a number of competitive advantages including:

- *Extensive expertise:* the Manager has extensive expertise in Big Box assets through its relationships with some of the principal agents, developers, tenants and major banks;
- *Current portfolio:* the Portfolio comprises Big Box assets let to Institutional-Grade Tenants, including Marks & Spencer, Tesco, Sainsbury's, Morrisons and Next;
- *Access to financing:* The Company has signed agreements with Barclays for debt facilities in relation to five separate assets amounting to, in aggregate, £155.2 million, secured on the respective assets. Barclays has provided a letter of intent in respect of a further £150 million senior debt facility. The Company is also in discussions with other lending institutions;
- *Key growth area:* the Company's sole focus on Big Box assets offers investors a highly targeted investment into a key asset class driven by the continued growth in online retail and general retail evolution in the UK;
- *Underpinned growing yield:* the Company's dividend yield target is underpinned by strong and long-term lease agreements with Institutional-Grade Tenants, which incorporate regular upward only rental growth, to offer a low-risk, inflation protected income stream to investors;

<sup>2</sup> This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

<sup>3</sup> This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

- *Focus on quality assets:* demand for Big Box assets is growing and the supply demand imbalance is, in the view of the Directors, likely to make the asset class increasingly attractive as an investment;
- *Access to investment opportunities:* the Manager has access to investment opportunities through long-established industry contacts and extensive knowledge of the sector; the Manager has had a prominent position in developing and acquiring logistics buildings for almost 20 years and Big Box assets in the UK over the previous six years; the Manager has access to off market transactions and specialised pre-let opportunities;
- *Asset availability:* the Manager and the Directors are confident that further Big Box assets will be available for potential acquisition with a similar return profile to the current Portfolio;
- *Transparent structure, with no legacy issues:* as a new REIT, the Company is fully transparent, allowing straightforward analysis of the yield and the NAV. Furthermore, as the Company is not a conversion of an existing property business there are no legacy issues; and
- *No development risk:* the Company will only acquire properties once they are let or pre-let and are, or are about to begin, generating income.

## 10. INVESTMENT PROCESS

The investment process undertaken by the Manager is broadly as follows:

### 10.1 Sourcing investments

The partners of the Manager have a long background of acting as principals, advisers, and developers in UK real estate and particularly logistics and Big Box assets. The Tritax Group and the Investment Team have established close relationships with many of the key participants in the UK Big Box asset market over many years. The Manager uses its extensive contacts in the sector to source opportunities for the Company.

### 10.2 Review and approval

The Manager performs an initial review of all investment opportunities taking into account the following considerations:

- *Location:* focus is on locations which give a low penetration time to deliver to key population areas of the UK and with proximity to sea/rail freight for taking large volume product delivery. Proximity to an available workforce can also be a consideration;
- *Quality of lease:* each asset must benefit from a long term lease (with an unexpired term remaining at the time of acquisition of at least 12 years, although shorter terms will be considered on a case-by-case basis as part of an integrated value driven strategy), the lease must be with an Institutional-Grade Tenant and, in the view of the Manager, there must be upward only rental review clauses in the lease;
- *Off market let or pre-let assets preferable:* the Manager focuses on off market transactions where possible, either of existing or in development assets (provided they are pre-let to an acceptable tenant), to reduce competition;
- *Financing:* gearing levels are analysed and must be consistent with the Company's gearing policy; and

- *Fit with existing Portfolio:* any portfolio synergies and impact on dividend yield and medium term total return target is also fully analysed and considered.

Once a potential property opportunity has been identified as a result of the application of the research and advice provided by the Manager, initial due diligence on the potential property investment is undertaken.

In all cases after the initial due diligence phase, the Manager makes a detailed recommendation to the Board of the Company for its consideration and approval.

The Manager produces a specific, detailed report for each potential investment opportunity being considered, which, where appropriate, analyses: (i) tenant covenant; (ii) form of lease; (iii) loan and hedging options; (iv) rental streams; (v) exit strategies; (vi) asset management opportunities; and (vii) external factors, such as market conditions, ancillary income growth and risk controlled redevelopment, in each case, in order to determine the nature and extent of the risks associated with, and the potential to add value in relation to, such opportunity.

Where the Company invests in joint ventures, or assets held in a corporate structure, the Manager will also conduct appropriate initial due diligence on such structures and counterparties to seek to ensure that they are competent, stable, and appropriate.

Based on initial due diligence and the investment opportunity report, the Directors determine whether detailed financial, legal and technical due diligence should be carried out by the Manager.

In addition to potential investments, the Manager's report process is conducted whether the potential transaction is an investment, a divestment, a refinancing of existing assets, or any other material event.

### 10.3 *Investment execution*

Where a proposed transaction is approved by the Directors, the Manager performs the appropriate and full due diligence required, utilising third party professional advisers where needed. The due diligence reports are submitted to the Directors with a recommendation prepared by the Manager comprising a full investment report detailing the fit of a particular transaction to the Investment Objective and Investment Policy of the Company, and the potential risks, and benefits of proceeding or not with any particular opportunity.

If an opportunity is presented to the Directors and approval is given by the Directors to proceed, the Manager shall conduct the following roles and provision of services to enable the execution of the transaction, to include:

- providing project management, and overall control of the transaction, to include co-ordinating the work of other professional advisers and service providers, including agents, surveyors, valuers, lawyers, accountants, and tax advisers;
- leading in the negotiation with any third party (whether buying, selling, refinancing, or otherwise) and the third party's agent (if any);
- leading in the negotiation and structuring of the transaction to ensure it meets the Investment Policy of the Company and does not detrimentally impact its status as a REIT;
- leading in the negotiation and structuring of any borrowings on the transaction;

- (e) leading in the preparation and negotiation of any new lease, or reviewing the implications of any existing lease;
- (f) working as closely as requested with the Directors during the acquisition process; and
- (g) leading the preparation of final documentation (in conjunction with legal and accounting advisers).

#### 10.4 *Key requirements for forward funded assets*

In the case of forward funded assets, the Company would acquire the land, subject to an agreement with a developer who will be responsible for delivering the completed building. The key requirements for forward funded assets will typically be as follows:

- (a) the developer will have signed up a tenant on an agreement for lease such that, upon completion and delivery of the building, the tenant will take up the building and occupy on the basis of the pre-agreed lease;
- (b) although Big Box assets are typically constructed in approximately 9 months, the development agreement will provide significant tolerance, for example an additional 18 months for the building to be delivered, which covers any potential delays;
- (c) the developer will place a contract with a building contractor which will have the responsibility of constructing the building. The contractor will be of significant financial standing and agreed by the Directors as suitable. The design and process of the build is planned and overseen by a team of highly experienced professionals including engineers, independent architect, quantity surveyors and monitoring building surveyor (appointed solely to report to the Directors);
- (d) all relevant professionals are required to have professional indemnity insurance assessed at a suitable level for the project. The main building contractor and any significant sub-contractors are required to provide minimum 10 year warranties to repair/replace as necessary following practical completion. At all times the building under construction is fully insured;
- (e) the Manager would seek to agree a form of rent to be paid to the Company by the developer during the construction phase, typically at a similar level to the rent under the lease with the tenant, to ensure that the investment is income producing from the outset; and
- (f) all of the monies required for the development are placed into “locked” bank accounts controlled by the Company’s lawyers and released in accordance with the development agreement on the basis of architects certificates issued monthly in arrears. These monies include the construction money, any fit-out money or rent free incentive granted to the tenant under the terms of the lease and the developer’s profit (which would typically be expected to represent 15 per cent. to 25 per cent. of the cost of the build) all of which is available to cover cost increases resulting from increased project costs or delays in completing the building. The building contractor is also responsible for covering the cost of any escalation or delays to the construction of the Big Box asset.



## 10.5 *Asset management strategy*

The Manager's asset management techniques will include the following:

- exploring the potential to restructure occupational leases, for example, by removing tenant break clauses to extend lease terms;
- identifying opportunities which may result from a better understanding of the occupational use of the property, the suitability of the building in the context of the tenant's business plan and assessing the tenant's capital expenditure (since this can indicate commitment to the building);
- potentially funding key tenant fit-out (including: mezzanine floors; racking; improvements in heating, lighting, power upgrades; and energy efficiency initiatives such as solar panel installation) which could deliver more favourable lease terms; and
- potentially funding the extension of the building to meet expansion requirements of the tenant, either within the curtilage of the site or through acquisition of expansion land, again to deliver more favourable lease terms.

## 10.6 *Investment monitoring and reporting*

The Manager continually monitors the progress of the Company's investments. This includes regular site visits and meetings with tenants on an asset-by-asset basis on an ad hoc basis, as required, and at a minimum, on a quarterly basis. The Manager updates the Directors on the progress of the Company's investments on a quarterly basis with additional formal contact being made where significant events have occurred which may impact the Company's income, expenditure or NAV. The Manager oversees the preparation of valuation statements for the Portfolio in each six month period (working with the Administrator and professional valuers and assisting the Company in selecting appropriate valuers). The Manager will also prepare the relevant sections of the interim and annual reports for the Company related to the Portfolio, the report of the Manager, any periodic disclosures required under the FCA rules in the Manager's capacity as an AIFM and the market outlook. Amongst other general roles, the Manager also works closely with the Company's advisers to assist in the preparation of relevant regulatory announcements, and other ongoing regulatory obligations of the Company.

## 10.7 *Holding and exit strategy*

The Company's investment holding period and the exit strategy will depend on the underlying assets, transaction structure, exit opportunities and size of the Company's investment. While the Directors intend to hold the Company's investments on a medium to long term basis, the Company may dispose of investments in a shorter timeframe should an appropriate opportunity arise where, in the Manager's opinion and on the Manager's recommendation to the Board (with approval of the Board), the value that could be realised from such disposal would represent a satisfactory return on the investment and/or otherwise enhance the value of the Company as a whole.

## 10.8 *Conflict management*

If the Manager or its affiliates sources an investment or acquisition opportunity that falls within the Company's Investment Policy and the consideration payable is more than £25 million, the Manager shall offer the opportunity to the Company in priority to any other investor and the Company shall have a maximum of two weeks to decide if it wishes to pursue the investment opportunity, during which period neither the Manager nor its

affiliates will offer the investment opportunity to any other investor nor pursue the opportunity themselves.

## **11. DISCOUNT AND PREMIUM MANAGEMENT**

The Board has the discretion to seek to manage, on an ongoing basis, any discount or premium at which the Ordinary Shares may trade to their Net Asset Value through further issues or buy-backs of Ordinary Shares, as appropriate.

### **11.1 *Discount control***

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests as a whole and as a means of correcting any imbalance between supply of and demand for the Ordinary Shares. Following the IPO, the Directors applied to the High Court to cancel the share premium account so as to create a new special reserve which may be treated as distributable profits and out of which share buy-backs may be funded.

A special resolution was passed at the Company's general meeting held on 25 July 2014 granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued share capital during the period expiring on the conclusion of the earlier of the Company's next annual general meeting or 15 months from the date of the general meeting. Renewal of this buy-back authority will be sought at each annual general meeting of the Company.

The Directors will give consideration to repurchasing Ordinary Shares under this authority, but are not bound to do so, where the market price of an Ordinary Share trades at more than 5 per cent. below the Net Asset Value per Ordinary Share for more than three months, subject to available cash not otherwise required for working capital purposes or the payment of dividends in accordance with the Company's dividend policy.

The Directors will have regard to the Company's REIT status when making any repurchase and will only make such repurchase through the market at prices (after allowing for costs) below the relevant prevailing Net Asset Value per Ordinary Share and otherwise in accordance with guidelines established from time to time by the Board. Purchases of Ordinary Shares may be made only in accordance with the Companies Act, the Listing Rules of the UKLA and the Disclosure and Transparency Rules. Under the current Listing Rules of the UKLA, the maximum price that may be paid by the Company on the repurchase of any Ordinary Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the Ordinary Shares for the five Business Days immediately preceding the date of purchase or, if higher, that stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation (EC No 227312003). The minimum price will not be below the nominal value of one pence in respect of the Ordinary Shares.

Shareholders should note that the purchase of Ordinary Shares by the Company is at the absolute discretion of the Directors and is subject to the working capital requirements of the Company and the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

### **11.2 *Premium management***

The Directors have authority to issue up to one third of the existing Ordinary Shares on a pre-emptive basis and up to 10 per cent. of the existing Ordinary Shares on a non-pre-emptive basis.

This authority will be replaced by the resolutions being considered at the General Meeting to authorise the Directors to allot up to an aggregate nominal value of £1,456,310.68 pursuant to the Issue and £3,500,000 pursuant to, the Share Issuance Programme and for premium management purposes free of pre-emption rights (assuming that these resolutions are passed by the requisite majority of Shareholders). Further information on these resolutions is set out in paragraph 4.5 of Part 9 of this Registration Document.

#### 11.3 *Treasury shares*

Any Ordinary Shares repurchased pursuant to the general authority referred to above may be held in treasury. The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

The Board currently intends only to authorise the sale of Ordinary Shares from treasury at prices at or above the prevailing Net Asset Value per Ordinary Share (plus costs of the relevant sale). This should be accretive to Net Asset Value in circumstances where Ordinary Shares are bought back at a discount and then sold at a price at or above the Net Asset Value per Ordinary Share (plus costs of the relevant sale).

#### 11.4 *New Ordinary Shares*

Subject to the provisions of the Companies Act and to any relevant authority of the Company required by the Companies Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, at such times and generally on such terms and conditions as the Board may decide, provided that, for as long as any Ordinary Shares are listed on the Official List, no new Ordinary Shares may be issued at a price per Ordinary Share which is less than the Net Asset Value per Ordinary Share at the time of such issue unless authorised by an ordinary resolution of Shareholders or such new Ordinary Shares are first offered on a *pro rata* basis to Shareholders.

### 12. **STRUCTURE AS A REIT**

As a REIT, the REIT Group has a tax efficient corporate structure with the consequences for UK Shareholders described in detail in Part 5 of this Registration Document. As a REIT:

- (a) the REIT Group will not pay UK corporation tax on profits and gains from its UK Qualifying Property Rental Business; and
- (b) the Company is required to distribute to Shareholders at least 90 per cent. of the income profits arising from the Tax-exempt Business as calculated for tax purposes, by the filing date of the Company's corporation tax return.

Under the REIT regime, a tax charge may currently be levied on the Company if it were to make a distribution to a Substantial Shareholder. The Articles contain provisions relating to Substantial Shareholders as set out in paragraph 7.14 of Part 9 of this Registration Document.

### 13. **NET ASSET VALUE VALUATION**

The Net Asset Value (and Net Asset Value per Ordinary Share) is calculated half-yearly by the Administrator and relevant professional advisers with support from the Manager and is presented to the Board for its approval and adoption. Calculations are made in accordance

with IFRS and EPRA's best practice recommendations or as otherwise determined by the Board. Details of each half-yearly valuation are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant period. In addition, the calculations are reported to Shareholders in the Company's annual report and interim financial statements. Net Asset Value (and Net Asset Value per Ordinary Share) is calculated on the basis of the relevant half-yearly valuation of the Company's properties, conducted by an independent valuer.

The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs. In circumstances where the calculation of the Net Asset Value is suspended, a suspension of the listing of the Ordinary Shares on the Official List will also occur and will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

The Company intends to report its NAV according to EPRA guidelines.

#### **14. MEETINGS AND REPORTS**

The audited accounts of the Company will be prepared in Sterling under IFRS and in accordance with EPRA's best practice recommendations. The Company's accounting reference date is 31 December and the Company's annual report and accounts will be prepared up to 31 December each year, with the first accounting period of the Company subsequent to the IPO being the period ending on 31 December 2014. It is expected that copies of the report and accounts will be sent to Shareholders by the end of April each year. The Company will also publish an unaudited half-yearly report covering the six months to the end of June each year. The first financial report and accounts that the Company will publish from the IPO will be the interim report for the period ending on 30 June 2014 (covering the period from the IPO). This Registration Document, however, contains audited financial information on the Company for the period to 31 May 2014, being the latest practicable date prior to the publication of this Registration Document, as set out in Part 6 of this Registration Document.

The Company held its most recent annual general meeting on 24 June 2014 and will hold an annual general meeting each year thereafter.

#### **15. DIRECTORS**

The Directors of the Company are responsible for the determination of the Company's Investment Objective and Investment Policy (subject to Shareholder approval, where appropriate) and have overall responsibility for the Company's activities, including the review of investment activity and performance.

The Board comprises the following individuals, all of whom are non-executive directors:

**Richard Jewson** (*Chairman*)

**Jim Prower**

**Mark Shaw**

**Stephen Smith**

All of the Directors are independent of the Manager with the exception of Mark Shaw. Brief biographies of the Directors and an overview of the Company's approach to corporate governance are set out in Part 4 of this Registration Document.

**16. TYPICAL INVESTORS**

An investment in the Ordinary Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

**17. LIFE OF THE COMPANY**

The Company has been established with an indefinite life.

**18. FURTHER INFORMATION**

Your attention is drawn to further additional information set out in Part 9 of this Registration Document.

## PART 2

### CURRENT PORTFOLIO

#### 1. INTRODUCTION

As at 8 July 2014, being the date of this Registration Document, the Portfolio comprised the following properties:

<b>Counterparty</b>	<b>Location</b>	<b>Size (sq. ft.)</b>	<b>Date of acquisition</b>	<b>Market value (£m)</b>	<b>Proportion of Company's current estimated gross assets (%)</b>
Sainsbury's	Leeds	570,800	Dec 13	53.25	13
Marks & Spencer	Castle Donington	906,240	Dec 13	88.50	22
Tesco	Chesterfield	501,751	Mar 14	30.49	8
Tesco	Didcot	288,259	Apr 14	29.30	7
Next	Doncaster	755,602	Jun 14	60.70	15
Morrisons	Sittingbourne	919,443	Jun 14	98.50	25
		<u>3,942,095</u>		<u>360.74</u>	<u>90</u>

The valuation of the Portfolio by CBRE at £360.74 million as at 30 June 2014 is set out in the Valuation Report in Part 8 of this Registration Document. The Company confirms that no material changes have occurred between 30 June 2014 (being the date of the valuations in the Valuation Report) and the date of this Registration Document.

The figures contained in Part 2 of this Registration Document are unaudited.

#### 1.1 Sainsbury's Big Box

On 11 December 2013, the Company (via SPV 2 and SPV 2 Ltd) acquired the freehold for Sainsbury's Big Box, being a Big Box in Sherburn-in-Elmet, Leeds let to Sainsbury's, for a purchase price of £48.75 million (net of acquisition costs), reflecting a net initial yield of 6.65 per cent. on the corporate acquisition.

Sainsbury's Big Box is one of Sainsbury's main regional distribution hubs distributing groceries to supermarket and 'local' store formats. It is strategically located with transportation connections via road (A1(M) motorway), rail and air for central UK distribution for both e-commerce and national stores.

Sainsbury's Big Box was constructed in 2000 and comprises approximately 570,800 sq. ft. of ground floor area with 13 metre eaves height, extending over four buildings with associated loading and parking. It has an unexpired lease term of approximately 12.5 years, which is subject to five yearly upward only open market rent reviews. The next rent review is due in May 2018.

The acquisition was initially funded out of equity proceeds, however, in April 2014, members of the REIT Group entered into an agreement with Barclays to provide £23.5 million of senior debt financing secured (amongst other things) on Sainsbury's Big Box. Further details of this debt financing are set out in paragraph 12.4 of Part 9 of this Registration Document.



Sainsbury's Big Box represents approximately 13 per cent. of the Company's current estimated gross assets (based on the total assets of the Company set out in the audited financial statements as at 31 May 2014, adjusted for the further debt financings, equity fundraising and acquisitions undertaken in June 2014). Immediately following the Issue (on the basis that the Issue is fully subscribed at its target size), it is expected that Sainsbury's Big Box will represent approximately 10 per cent. of the Company's gross assets.

## 1.2 *M&S Big Box*

On 17 December 2013, the Company (via SPV 1) acquired the freehold for M&S Big Box, being the Marks & Spencer East Midlands Distribution Centre at Castle Donington, Leicestershire for a purchase price of £82.57 million (net of acquisition costs), reflecting a net initial yield of 5.2 per cent.

M&S Big Box was purpose-built for Marks & Spencer in 2011 and comprises over 900,000 sq. ft. of ground floor area with 25 metre eaves height, with associated offices, car park and vehicle maintenance unit and with the benefit of an adjacent rail freight terminal and sidings. It is strategically located with transportation connections via road (M1 motorway), rail and air for central UK distribution of general merchandise for both e-commerce and national stores.

M&S Big Box has an unexpired lease term of approximately 22.5 years, which is subject to a five yearly open market rent review with a minimum increase equivalent to 1.5 per cent. per annum and a maximum increase equivalent to 2.5 per cent. per annum (in each case on a compounded basis). The next rent review is due in December 2016.

The purchase was initially funded out of equity proceeds, however, in June 2014, members of the REIT Group entered into an agreement with Barclays to provide £49.3 million of senior debt financing secured (amongst other things) on M&S Big Box. Further details of this debt financing are set out in paragraph 12.6 of Part 9 of this Registration Document.

M&S Big Box represents approximately 22 per cent. of the Company's current estimated gross assets (based on the total assets of the Company set out in the audited financial statements as at 31 May 2014, adjusted for the further debt financings, equity fundraising and acquisitions undertaken in June 2014). Immediately following the Issue (on the basis that the Issue is fully subscribed at its target size), it is expected that M&S Big Box will represent approximately 16 per cent. of the Company's gross assets.

The M&S Big Box is leased to international, multi-channel retailer of clothing, homewares and food, Marks & Spencer (incorporated in England and Wales, number 4256886). Marks & Spencer is listed on the Official List and its shares trade on the London Stock Exchange's main market for listed securities. Its registered office is Waterside House, 35 North Wharf Road, London W2 1NW.

## 1.3 *Tesco Chesterfield Big Box*

On 17 March 2014, the Company (via SPV 3) acquired the freehold for Tesco Chesterfield Big Box, being a Big Box at Barlborough Links, Chesterfield, Derbyshire let to Tesco, for a purchase price of £28.64 million (net of acquisition costs), reflecting a net initial yield of 6.6 per cent. The purchase was funded out of equity proceeds.

Tesco Chesterfield Big Box was developed in 2005 and immediately leased to Tesco for a term of 15 years. Tesco Chesterfield Big Box comprises approximately 500,000 sq. ft. with 15 metre eaves height, cross dock loading and extensive fit out. It is strategically located at Junction 30 of the M1 motorway for central UK distribution of general merchandise to Tesco national distribution hubs.

Tesco Chesterfield Big Box has an unexpired lease term of approximately six years, which is subject to a five yearly open market rent review in May 2015.

Tesco Chesterfield Big Box asset represents approximately 8 per cent. of the Company's current estimated gross assets (based on the total assets of the Company set out in the audited financial statements as at 31 May 2014, adjusted for the further debt financings, equity fundraising and acquisitions undertaken in June 2014). Following the Issue (on the basis that the Issue is fully subscribed at its target size), it is expected that Tesco Chesterfield Big Box will represent approximately 6 per cent. of the Company's gross assets.

#### 1.4 *Tesco Didcot Big Box*

On 28 April 2014, the Company (via SPV 6) acquired the freehold for Tesco Didcot Big Box, being a Big Box at Southmead Industrial Estate, Didcot let to Tesco, for a purchase price of £27.2 million (net of acquisition costs), reflecting a net initial yield of 6.9 per cent. on the corporate acquisition.

Tesco Didcot Big Box was specifically developed for Tesco which committed to an initial 35 year term. The facility comprises a purpose-built distribution warehouse with integral two storey ancillary offices plus extensive parking over approximately 13.82 acres, on a rentalised area of approximately 288,259 sq. ft., providing a low site cover of approximately 45 per cent. The warehouse has 11 metre eaves height, cross dock loading and extensive fit out by the tenant, including a cold store facility.

Tesco Didcot Big Box is strategically located in a core south east location which benefits from transportation connections, via road (adjacent to the A34 dual carriageway linking junction 13 of the M4 and junction 9 of the M40 motorways), rail and air for central UK distribution of food to Tesco's national distribution hubs.

Tesco Didcot Big Box has an unexpired lease term of approximately 10 years, which is subject to a five yearly open market rent review in August 2014.

The purchase was initially funded out of equity proceeds, however, in June 2014, members of the REIT Group entered into an agreement with Barclays to provide a £12.2 million senior debt facility secured on (amongst other things) Tesco Didcot Big Box. Further details of this debt financing are set out in paragraph 12.8 of Part 9 of this Registration Document.

Tesco Didcot Big Box represents approximately 7 per cent. of the Company's current estimated gross assets (based on the total assets of the Company set out in the audited financial statements as at 31 May 2014, adjusted for the further debt financings, equity fundraising and acquisitions undertaken in June 2014). Immediately following the Issue (on the basis that the Issue is fully subscribed at its target size), it is expected that Tesco Didcot Big Box will represent approximately 5 per cent. of the Company's gross assets.

#### 1.5 *Next Big Box*

On 17 June 2014, the Company (via Jersey SPV 5) acquired the freehold for Next Big Box, being a regional distribution centre at West Moor Park, Doncaster, South Yorkshire let to Next Group plc, for a purchase price of £60 million (net of acquisition costs), reflecting a net initial yield of 6.07 per cent.

Next Big Box was developed in 2003 with a further extension in 2005 and immediately leased to Next for a term of 20 years. The facility comprises approximately 755,000 sq. ft. warehouse facilities with a low site cover of approximately 45 per cent., 17.5 metre eaves height, cross dock loading and ancillary office accommodation and parking. The building

has an additional first and second floor mezzanine storage area of approximately 106,500 sq. ft., with a sophisticated automated storage system. It is strategically located for road (M18 only 5 miles away), rail (Doncaster railfreight is 1 mile south) and air transport (via Robin Hood airport).

Next Big Box has an unexpired lease term of approximately 8.8 years, which is subject to a five yearly open market rent review in March 2018.

The purchase was partially funded by debt financing. On completion, members of the REIT Group entered into an agreement with Barclays to provide £16.43 million of senior debt financing secured on (amongst other things) Next Big Box. Further details of this debt financing are set out in paragraph 12.13 of Part 9 of this Registration Document.

Next Big Box represents approximately 15 per cent. of the Company's current estimated gross assets (based on the total assets of the Company set out in the audited financial statements as at 31 May 2014, adjusted for the further debt financings, equity fundraising and acquisitions undertaken in June 2014). Immediately following the Issue (on the basis that the Issue is fully subscribed at its target size), it is expected that Next Big Box will represent approximately 11 per cent. of the Company's gross assets.

## 1.6 *Morrisons Big Box*

On 24 June 2014, the Company (via Jersey SPV 4) acquired a 999 year lease on Morrisons Big Box, being a regional distribution warehouse facility at Sittingborne, Kent, let to Morrisons, for a purchase price of £97.8 million (net of acquisition costs), reflecting a net initial yield of 5.2 per cent.

Morrisons Big Box was purpose built for Morrisons in 2009. The facility comprises approximately 920,000 sq. ft. across two large units which are used for ambient goods and chilled food, respectively, with 12 metre eaves height and modern design features. It is strategically located with transportation connections via road (M2 & M25) and deepwater/port facilities (Sheerness, Dover, Thames Estuary and the Thames Gateway). The channel tunnel also lies 31 miles to the south east for mainland Europe.

Morrisons Big Box has an unexpired lease term of approximately 25 years, which is subject to annual rent reviews linked to RPI, subject to a 2 per cent. cap, compounded annually.

The purchase was partially funded by debt financing. On completion, members of the REIT Group entered into an agreement with Barclays to provide a £53.8 million senior debt facility secured on (amongst other things) Morrisons Big Box. Further details of this debt financing are set out in paragraph 12.11 of Part 9 of this Registration Document.

Morrisons Big Box represents approximately 25 per cent. of the Company's current estimated gross assets (based on the total assets of the Company set out in the audited financial statements as at 31 May 2014, adjusted for the further debt financings, equity fundraising and acquisitions undertaken in June 2014). Immediately following the Issue (on the basis that the Issue is fully subscribed at its target size), it is expected that Morrisons Big Box will represent approximately 18 per cent. of the Company's gross assets.

The Morrisons Big Box is leased to UK supermarket group, Morrisons (incorporated in England and Wales, number 00358949). Morrisons is listed on the Official List and its shares trade on the London Stock Exchange's main market for listed securities. Its registered office is Hilmor House, Gain Lane, Bradford, West Yorkshire BD3 7DL.

## **2. PIPELINE**

The Directors and Manager believe that there is a strong pipeline of other assets which meet the Company's Investment Objective and Investment Policy and which offer a similar return profile to the current Portfolio. The Manager has entered into detailed discussions with the current vendors of such pipeline assets to ascertain their availability for purchase on indicative terms. The Manager has undertaken its own due diligence and negotiations in connection with some of these potential assets. The Directors may or may not accept these or other assets as being suitable for the Company and may or may not proceed with the acquisition of any such opportunities. It is anticipated that any further investments will be acquired out of existing cash resources, borrowings, funds raised from the Issue or the Share Issuance Programme or any combination of these.

As at the date of this Registration Document, the Company has no contractual obligations with further potential vendors of suitable assets in place but the Manager and the Board believe that with the Manager's experience and the preparatory work undertaken by the Manager to date, suitable assets will be identified and could potentially be acquired in a relatively short time period following Admission. Accordingly, the Directors are confident that sufficient suitable assets will be identified, assessed and acquired, to substantially invest or commit the net proceeds from the Issue within a three to four month period following Admission.

## PART 3

### THE BIG BOX MARKET

#### 1. Summary

The Directors and the Manager believe that a significant opportunity exists in the UK logistics market owing to strong tenant demand in high growth areas of the economy as well as limited stock supply, especially for new, large scale Big Box facilities.

Big Box assets facilitate the competitive operation of many of the largest and most effective operators in online retail, conventional retail, and logistics provision as well as for some industrials in the UK. Such facilities offer the tenant previously unavailable benefits in terms of efficiency, economies of scale, flexibility, and low cost of use.

The UK has been one of the fastest global adopters of online retail and continues to exhibit significant growth in the sector, driving new demand for logistics real estate and for Big Box assets.

According to the latest OECD Economic Outlook, the UK economy is expected to grow by 3.2 per cent. in 2014, well above the OECD average of 2.2 per cent. and the Euro area average of 1.2 per cent. The economy is forecast to have the strongest growth amongst the G7 countries, with the United States expected to grow by 2.6 per cent. Private consumption in the UK is forecast to grow by 2.5 per cent., its fastest rate since 2007.

Successful large-scale retailers (online and conventional) and logistics providers are increasingly relying on the Big Box asset, and demand is evident from companies up-scaling to such facilities. However, long lead-in times and challenges related to potential planning constraints and financing has impacted the supply of new and speculatively developed Big Box assets.

#### 2. Key drivers

##### 2.1 *Operational efficiency*

Businesses have faced a more difficult environment in recent years and have therefore sought to further rationalise their operations. This drive has led occupiers of logistics assets to review their distribution network and use space more efficiently. In many instances, the response has been to centralise logistics facilities into fewer, larger units. The use of such Big Box assets allows occupiers to capture economies of scale by consolidating various functions previously dispersed, optimise inventory management and expand product range. For example, over recent years, Marks & Spencer has been consolidating its logistics network in the UK from over 100 depots of varying sizes into three large distribution centres at Sheffield, Bradford and Castle Donington.

Third party logistics companies (“**3PLs**”) are also increasingly focusing on Big Box assets to run multi-user facilities and operate more efficiently. Again, the centralisation of multiple contracts delivers economies of scale. Larger multi-user facilities such as Clipper Wynyard and DHL's DIRFT Campus are enabling the operator to tender more competitively and with enhanced flexibility.

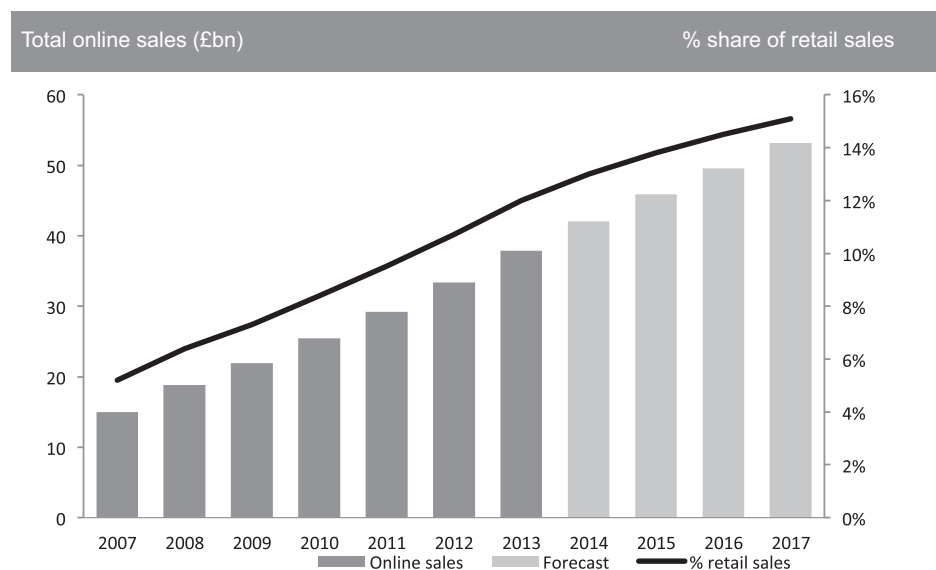
## 2.2 Online retail

The growth in online retail has been another key driver for the increase of Big Box facilities. According to research by Conlumino, online transactions accounted for around 12 per cent. of total retail sales in the UK in 2013, and this is expected to increase to by approximately 25 per cent. by 2017 (see Chart 1).

Increased use of mobile devices is also driving a cultural change in the way people shop, particularly amongst younger generations. Latest data from Ofcom shows that half of all UK adults own a smartphone and the majority of people aged 16 to 34 access the internet through a mobile device. There is also rapid growth in the ownership of tablet computers, with 24 per cent. of households owning at least one of these devices. Entry into this market of 'budget' Android devices (e.g. Tesco's Hudl) will only widen ownership.

'Pure-play' online retailers, such as Amazon, ASOS and Ocado, have led the way in the development of such advanced facilities. However, the majority of the UK's largest online retail stores still belong to high street retailers. These 'hybrid' retailers need to combine the requirements of conventional and online retail logistics. There is a preference amongst some retailers to segregate online and offline operations, but many co-locate these different operations under a single roof to achieve economies of scale. Hence both pure-play online retailers and hybrid retailers increasingly rely on Big Box assets in their respective distribution networks.

**Chart 1**  
**UK online retail sales and forecast**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

## 3. Big Box Locations

The modern UK logistics network has principally developed around two modes of transport: ports and roads, with a significant amount of freight also transported by rail but in comparison to road transport, volumes remain low. As many of the country's major container ports are located on the North Sea coast, key east/west trunk roads allow goods to be transported to the centre of the UK, where the country's motorway network is most heavily concentrated. This is also traditionally the optimum location for servicing the majority of the UK population. It is estimated that over 90 per cent. of the UK's population live within a 4 hour drive time of the so-called 'Golden Triangle' in the Midlands. The EU drive time directive sets limits on the maximum period of a continuous journey for



heavy goods vehicles and hence drive time penetration is an important consideration for location.

Increasingly, multi-modal transport options are being considered, and specifically locations with rail freight capabilities. Occupiers of Big Box assets are the principal users of rail freight, which can assist businesses in reducing the unit cost of distribution, particularly when transporting over long distances, where one rail freight service can be equivalent to 60 HGVs. Improvements to the UK's rail network in recent years have allowed greater use of rail, across more parts of the country, and most of the UK's supermarket chains now make some use of rail.

Key logistics clusters around the UK include:

- South East: close proximity to London and its associated ports, together with a high concentration of road and rail services.
- The Midlands benefits from its central location, and is also the focal point for a number of nationally important motorways and trunk roads. The region also includes a number of important parks including Daventry International Rail Freight Interchange (DIRFT) and Magna Park.
- In Yorkshire there is an important cluster in South and West Yorkshire in the area between Leeds, Sheffield and Doncaster. Also there are links through to the ports around the Humber estuary, including Grimsby, Immingham and Hull.
- The North West provides a larger and growing cluster around Greater Manchester and Merseyside in locations such as Widnes, Runcorn and Chorley. The M6 and M62 provide connections to other parts of the country, and there are important maritime links with the Port of Liverpool, which itself has ambitious expansion plans. Increasingly the North West is being preferred by occupiers for a single northern hub.

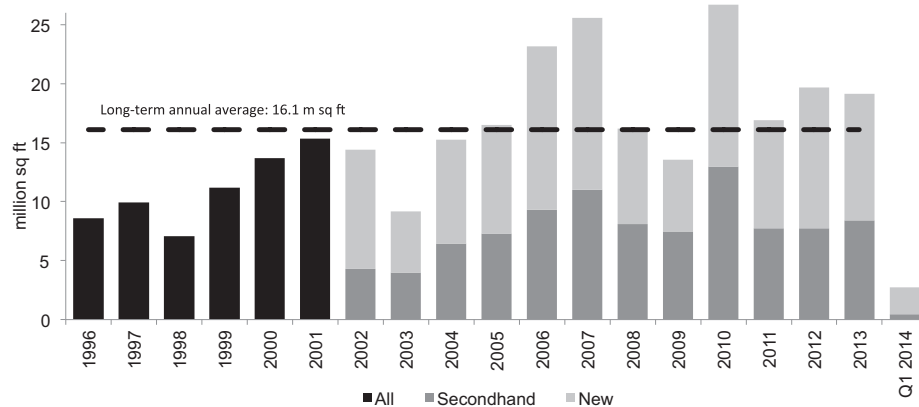
## **4. Market Dynamics**

### **4.1 Demand**

Demand for logistics assets in the UK has been strong over the last few years. Over the last nine years, only 2009 has been below the long term annual average take-up of just under 16 million sq. ft. for units of 100,000 sq. ft. and above (see Chart 2) with 19.1 million sq. ft. of space taken in 2013. The Big Box market forms an important but relatively small portion of the overall market. Since 2006, there have been, according to CBRE, around eight occupier transactions on average per year, representing an average annual 5.25 million sq. ft. take-up.

**Chart 2**

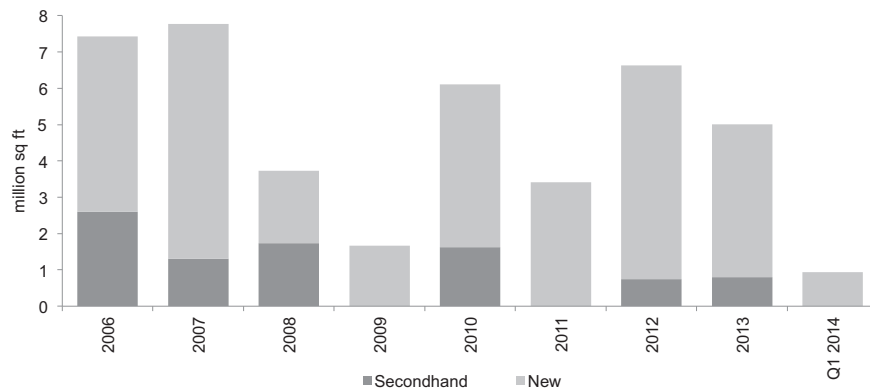
**UK Logistics Take-up 1996 – Q1 2014 (100,000 sq. ft. and above)**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

**Chart 3**

**UK Logistics Take-up 1996 – Q3 2014 (500,000 sq. ft. and above)**



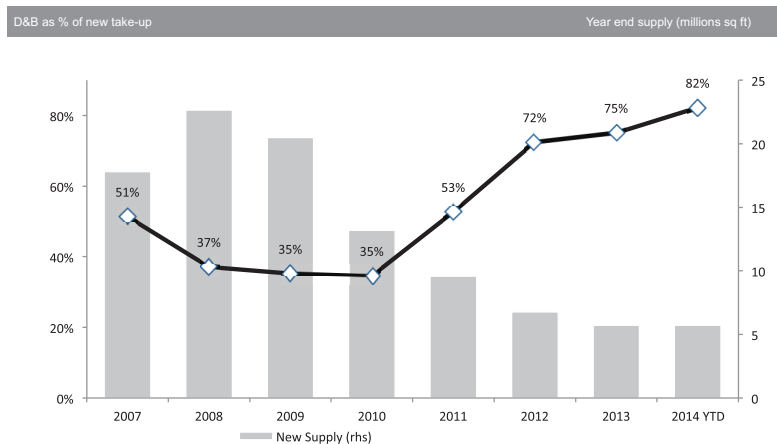
(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

CBRE expects demand within the logistics sector has the potential to grow further on the back of a recovering UK economy and improving manufacturing sector. In particular, CBRE have seen an upturn in the amount of space acquired through Design & Build (“D&B”) solutions. The market for D&B has formed an increasing proportion of take-up of new warehouse space, with in excess of 70 per cent. of new space in units of 100,000 sq. ft. and above acquired in this manner in both 2012 and 2013 (see Chart 4).

For Big Box units of approximately 500,000 sq. ft. occupiers are even more reliant on acquiring space through D&B. Since 2008 (but excluding 2009) Design & Build has formed over 70 per cent. of take-up of new space, and in 2012 and 2013 100 per cent. and 95 per cent. respectively (see Chart 5). In short, Big Boxes are more likely to be delivered by D&B, and given the current supply position this will be the only route to a new warehouse of this size.

**Chart 4**

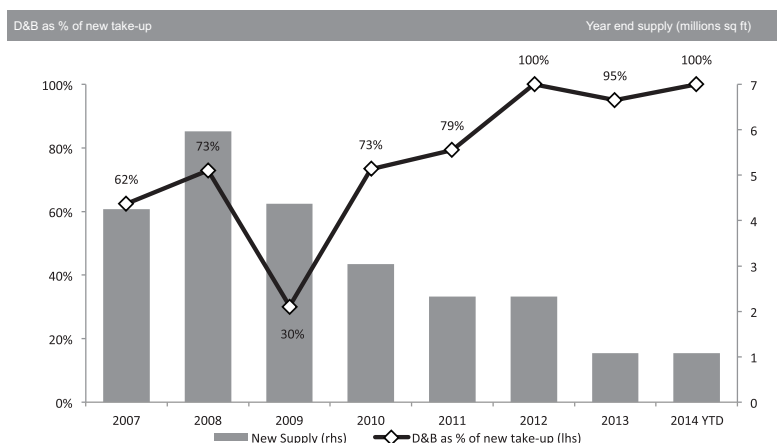
**All logistics (100,000 sq. ft. and above): Design & Build Take-up and New Build Supply 2007 – 2014 YTD**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

**Chart 5**

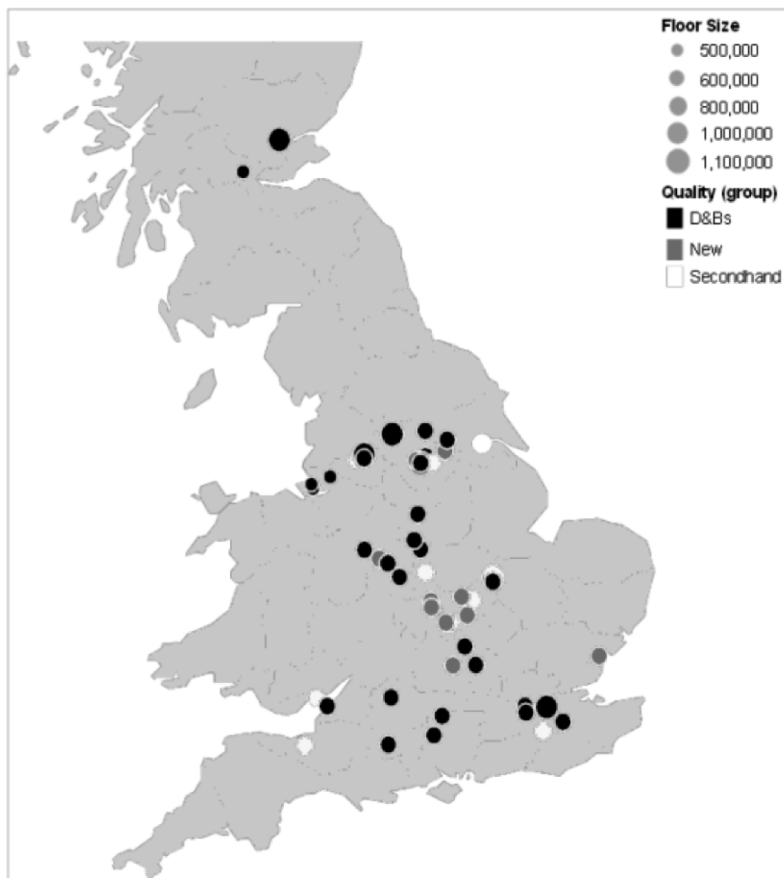
**Big Box (500,000 sq. ft. and above): Design & Build take-up + new build supply – 2007 – 2014 YTD**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

Geographically, the Big Box deals in the UK exhibit a pattern referred to as the 'reverse Z' (see Chart 6). In the south of England, the predominant axis is along the Thames Valley and the M4 corridor with clusters to the east of London on either side of the Dartford crossing, and additional hubs in Reading, Swindon and on either side of the Severn Estuary (Avonmouth and Magor). In Northern England, there is a strong axis along the M62 and M18 corridors, with a cluster around Liverpool, Warrington, Sheffield and Doncaster. Finally there is the North West/South East axis through the Midlands following the M1 and M6, with the greatest concentration within the Golden Triangle around the M6/M1/M42. Additionally Big Box deals do take place in Scotland, primarily along the M8 between Glasgow and Edinburgh. However, only two such deals since 2006 have taken place including a one million sq. ft. D&B for Amazon in Dunfermline.

**Chart 6**  
**Big Box Logistics deals since 2006**



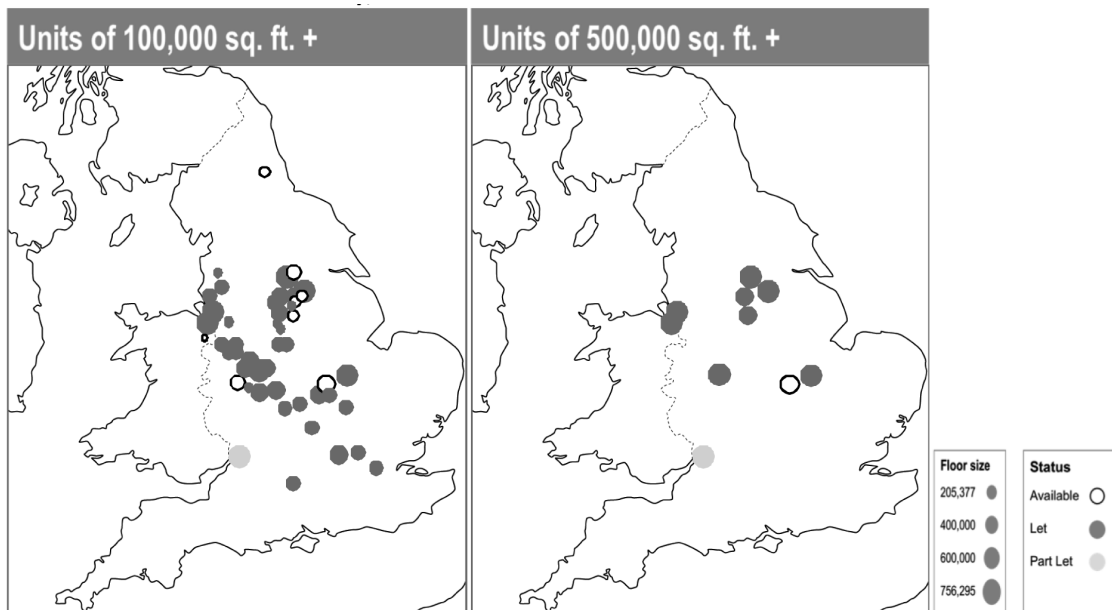
(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

#### 4.2 Supply

The supply of UK logistics properties peaked in 2009 following a flurry of speculative development in the years leading up to the economic downturn. However, following strong occupational demand, there is now a severe shortage of units of over 200,000 sq. ft., and especially Big Box assets. Whilst there have been recent tentative steps towards the speculative development of smaller floorplate buildings, speculative Big Box development in general has been minimal in recent years, both due to credit constraints, and the increasingly challenging development and planning considerations associated with the scale of such projects.

As illustrated in Chart 7, the supply of available new build assets has declined since the summer of 2009. The white circles represent those logistics properties that have remained vacant and ready-to-occupy through to the end of Q1 2014. Coupled with the near absence of speculative development since 2009, this demonstrates that supply levels in some regions are extremely limited. No available units remain in the North West or South East; those left in the Midlands are in more peripheral locations such as Wolverhampton and Corby, some distance away from a traditional 'Golden Triangle' locale. The only remaining cluster is in South Yorkshire, where some particularly large developments were built and have not yet found occupiers, but even here the two largest available schemes have now been acquired for occupation.

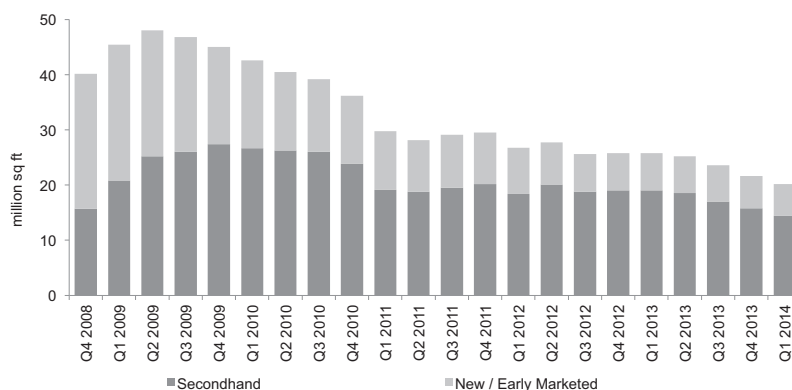
**Chart 7**  
**Erosion of new build availability, summer 2009 versus Q1 2014**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

At the end of Q1 2014 overall supply in units of 100,000 sq. ft. and above stood at 20.2 million sq. ft., of which 14.4 million sq. ft. was second-hand space (see Chart 8). However, the vast majority of the space currently available and ready-to-occupy is in unit sizes of 100,000–250,000 sq. ft. At the date of this Registration Document, only one building in the UK remains partly available that can accommodate a requirement of over 500,000 sq. ft. under a single roof: LPP Corby comprising 528,000 sq. ft., although CBRE expect this to be acquired for occupation in Q3 2014, which will have a material impact on supply levels in the East Midlands.

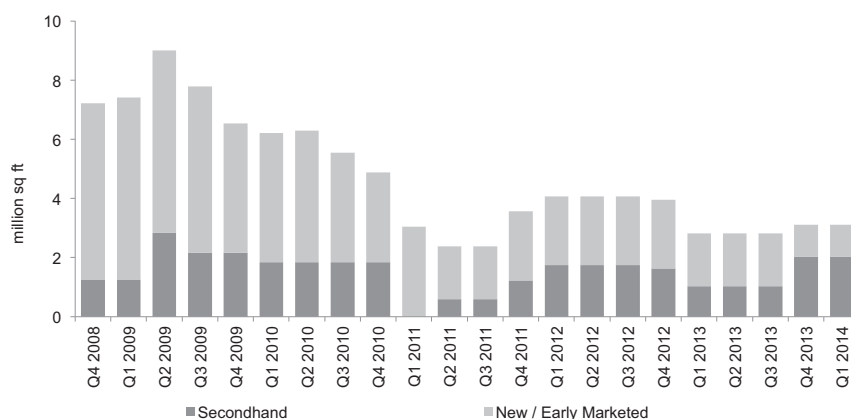
**Chart 8**  
**UK Logistics Availability Q4 2008 – Q1 2014 (100,000 sq. ft. and above)**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

**Chart 9**

**UK Logistics Availability Q4 2008 – Q1 2014 (500,000 sq. ft. and above)**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

## 5. Rents

Despite falling supply levels, rents have remained reasonably stable in recent years. There has undoubtedly been upward pressure on rents in markets close to the South East, where competition from other land uses is at its greatest. The highest rental levels are in the South East, in particular around West London and the area around Heathrow. Given the competition with other land uses in this area Big Box units are rare and logistics activities are focused on smaller units.

### Prime Logistics headline rents – selected locations

<i>Location</i>	<i>Prime rent (per sq. ft.)</i>
M25 West	£11.50
M25 North	£8.25
Milton Keynes	£5.75
Bristol	£5.75
M1/M6 Interchange	£5.75
Warrington	£5.25
Wakefield	£4.75

(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

Logistics units are let on leases with upward only rent reviews. These can be either fixed uplifts or linked to the Retail Price Index to ensure they remain in line with inflation. The table above provides an indication of current rental levels in selected locations/regions. For Big Box units taken through a pre-let or D&B process, a rental premium above the prevailing rental level for an existing unit is typical. There is significant variation between deals, but in recent years, on average, this premium has been in the order of 15 – 20 per cent.

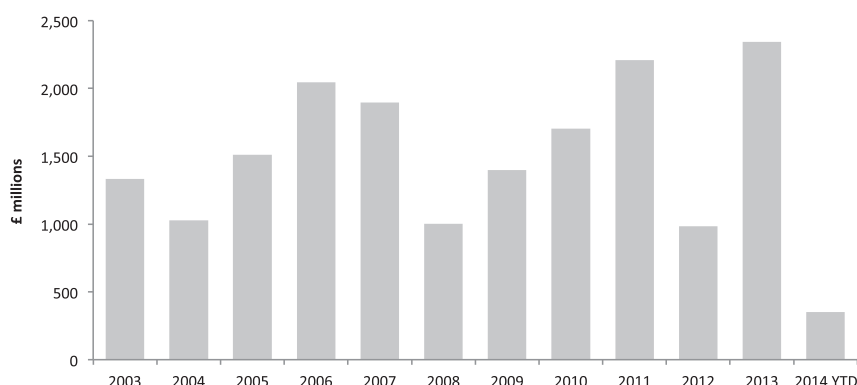
## 6. Investment Activity and Future Prospects

The Big Box asset has remained attractive to investors due in part to the typical long length of lease commitments, upward only rent growth, strong occupier covenants, and relatively high yields. However, the potential for rental growth in light of the current market dynamic of diminishing supply and increasing occupier demand is likely to fuel further asset price growth. The imbalance between supply and demand is unlikely to be rectified in the short to medium term as the strengthening economic outlook supports occupational demand.



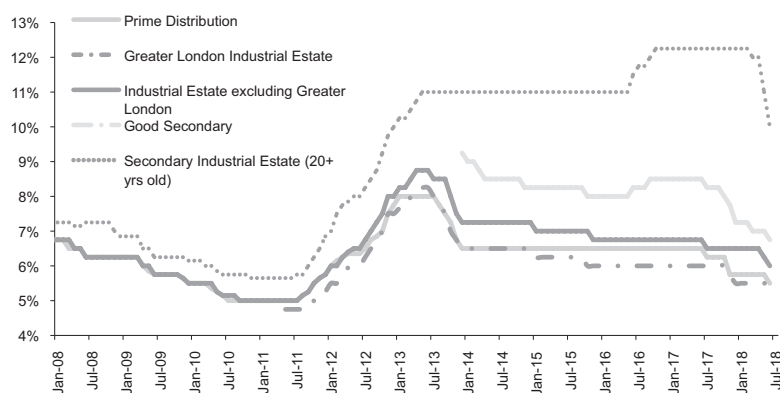
With the resurgence of capital entering the real estate sector in 2013, which has continued into 2014, prime logistics yields have compressed by 100 basis points and currently stand at approximately 5.5 per cent. (see Charts 10 and 11). Investor demand in the asset class has continued over the past 18 months, and in the view of the Manager and the Directors, this demand is likely to accelerate. The yield currently available may represent an attractive risk adjusted return, which could experience compression, and hence asset price growth over the medium term.

**Chart 10**  
**Logistics investment volumes (2003 – Q1 2014)**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

**Chart 11**  
**Prime distribution yields (June 2004 – June 2014)**



(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

The table below shows the key Big Box investment transactions between 2012–2013:

**Key Big Box investment transactions  
2013 – 2014**

<i>Date</i>	<i>Occupier/location</i>	<i>Size (sq ft)*</i>	<i>Net initial yield</i>	<i>Price paid</i>	<i>Unexpired lease term (yrs)</i>
Jun-14	Wm Morrison Supermarkets, Sittingbourne	919,000	5.2%	£97.8m	25
Jun-14	Next, West Moor Park, Doncaster**	755,000	6.1%	£60.0m	9
Jun-14	Indesit, Wrath Park, Raunds	467,000	6.4%	£32.5m	6.5
May-14	Kuehne & Nagel, Derby Commercial Park	635,000	5.9%	£55.0m	10
May-14	Waitrose, Magna Park, Milton Keynes	938,000	4.6%	£114.0m	30
May-14	Marks & Spencer, SIRFT, Sheffield**	626,000	7.6%	£32.2m	9.5
May-14	BT, Magna Park, Lutterworth	433,000	4.9%	£50.0m	17
Apr-14	Tesco, Southmead Industrial Estate, Didcot**	288,000	6.6%	£27.2m	10.4
Feb-14	Argos, Acton Gate, Stafford	469,000	6.2%	£33.0m	12.8
Feb-14	Rolls Royce, Inchinnan, Glasgow	541,000	6.0%	£101.7m	14.0
Jan-14	Tesco, Gander Lane, Barlborough Links**	500,000	6.6%	£57.2m	6.5
Dec-13	Marks & Spencer, East Midlands Distribution Pk**	900,000	5.2%	£82.4m	23
Dec-13	Sainsbury's, Bishopsdyke Road, Sherburn-in-Elmut**	571,000	6.4%	£48.8m	13
Sep-13	John Lewis (new development), Magna Park, Milton Keynes	669,000	4.8%	£75.7m	30
Aug-13	Travis Perkins, Omega North, Warrington	630,000	5.6%	£52.8m	25
Jul-13	Next, Dearne Valley, Rotherham**	1,114,000	5.5%	£86.7m	25
Jul-13	Argos, Marsh Leys Distribution Park, Bedford	661,000	6.9%	£52.2m	9.35
May-13	The Range, Nimbus Park, Doncaster**	750,000	7.7%	£36.6m	20
Mar-13	Primark, Thrapston	785,000	6.2%	£60.5m	19.5

\*Size rounded to the nearest 1,000 sq ft.

\*\*Tritax Group transaction.

(Source: CBRE Report, May 2014 – Market Overview – Big Box Distribution)

## PART 4

### DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

#### 1. BOARD OF DIRECTORS

The Directors of the Company are responsible for the determination of the Company's Investment Objective and Investment Policy and have overall responsibility for the Company's activities, including the review of investment activity and performance and compliance with the Corporate Governance Code. The Directors of the Company are also responsible for the control and supervision of the Manager.

The Directors meet at least quarterly. For this purpose, the Directors receive periodic reports from the Manager detailing the REIT Group's performance. The Board delegates certain responsibilities and functions to the audit committee, which has written terms of reference, which are summarised in paragraph 4.4 of this Part 4. The audit committee, chaired by Jim Prower, meets at least twice a year.

Each of the Directors is entitled to receive a fee from the Company (aside from Mark Shaw) at such rate as may be determined in accordance with the Articles. The Directors are each entitled to an initial fee of £30,000 per annum other than the Chairman who is entitled to an initial fee of £60,000 per annum and the Chairman of the audit committee who is entitled to receive an initial fee of £35,000 per annum. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties.

The Directors of the Company, all of whom are non-executive, are listed below and details of their current and recent directorships and partnerships are set out in paragraph 6.9 of Part 9 of this Registration Document.

**Richard Jewson** (*Chairman*) (*aged 69*)

Richard holds a number of non-executive positions, including Chairman of Raven Russia Limited, which is listed on the Official List of the UKLA and specialises in commercial real estate in Russia, in particular high quality class A warehouse complexes across Russia. Richard is also currently Chairman of Archant Limited, and a non-executive director of Temple Bar Investment Trust plc. Richard has recently retired from Grafton Group plc after 18 years on the board. Previously, Richard joined Jewson, the timber and building merchant, in 1965 becoming the Managing Director, then Chairman of its holding group, Meyer International plc from which he retired in 1993. Since then he has served as non-executive director and Chairman of a number of public companies. He stepped down as Chairman of Savills plc in 2004 after 10 years and as a non-executive director and deputy Chairman of Anglian Water plc in 2005 after 14 years.

**Jim Prower ACA** (*aged 58*)

Jim has worked in industry and commerce since 1985, having qualified at Peat, Marwick, Mitchell & Co in 1979. He performed the roles of Finance Director and Company Secretary at Minty plc (1987–1989), Creston Land & Estates plc (1989–1995) and NOBO Group plc (1995–1997), before joining Argent Group plc in the same roles. Since 2009, he has been closely involved with the development of King's Cross Central (a joint venture between London & Continental Railways, DHL Supply Chain and Argent King's Cross Limited Partnership), for which he has been primarily responsible for raising debt for working capital, development and investment. In December 2012, together with other senior Argent personnel, Jim became a member of Argent (Property Development) Services LLP and

Argent Investments LLP, which acquired Argent's property investment, development and management businesses.

**Stephen Smith** (*aged 60*)

Stephen was Chief Investment Officer of British Land Company PLC, the FTSE 100 REIT, from January 2010 with responsibility for the group's property and investment strategy. He stood down from the board of British Land in March 2013 and left the company at the end of June 2013. He was formerly Global Head of Asset Management and Transactions at AXA Real Estate Investment Managers where he was responsible for the asset management of a portfolio of more than €40 billion on behalf of life funds, listed property vehicles, unit linked and closed end funds. Prior to joining AXA in 1999 he was Managing Director at Sun Life Properties for five years. Stephen is currently non-executive chairman of Starwood European Real Estate Finance Limited, a London listed closed-end investment company. He is also non-executive director of Gatehouse Bank Plc, a London-based wholesale investment bank that specialises in global real estate.

**Mark Shaw FCA** (*aged 65*)

Mark is the Chairman of the Manager. He has played a prominent role in the development and marketing of property investments benefiting from government sponsored tax reliefs such as enterprise zone property unit trusts, business premises renovation allowances and capital allowances generally. He is highly experienced in a range of commercial, banking and investment operations attained while working as general manager to a major Kuwaiti investment bank in the late 1970s and 1980s. Returning to the UK in 1985, Mark joined a team initiating investment in the newly created enterprise zones which in due course became a subsidiary of London and Edinburgh Trust plc. Mark later established Collective Investments Limited to continue this activity which became the Tritax Group in 1995.

All of the Directors are independent of the Manager with the exception of Mark Shaw.

## **2. THE MANAGER**

### **2.1 Overview**

The Manager became authorised by the FCA as an AIFM on 1 July 2014. Following such authorisation, on 2 July 2014 the Property Management and Services Agreement between the Company and the Manager was replaced in its entirety by the Investment Management Agreement. Pursuant to the Investment Management Agreement, the Company is provided with all management and advisory services by the Manager.

Following authorisation by the FCA of the Manager as an AIFM, the Investment Advisory Agreement between the Company and the Investment Advisor was terminated pursuant to a deed of termination effective on 2 July 2014. The Investment Advisory Agreement related to investment advice provided by the Investment Adviser to the Company in relation to real estate transactions which involved the provision of regulated activities that the Manager was not formerly able to provide but which the Manager can now provide in its capacity as an FCA authorised AIFM.

The Manager was incorporated as a limited liability partnership in the United Kingdom on 2 March 2007, with registered number OC326500. The registered office of the Manager is Aberdeen House, South Road, Haywards Heath, West Sussex RH16 4NG. The Manager is domiciled in England and Wales. The principal operational place of business of the Manager is 17-18 Old Bond Street, London W1S 4PT.

The Manager is 100 per cent. owned by Mark Shaw, Colin Godfrey, James Dunlop and Henry Franklin. Between them, this team of property, legal and finance professionals has over 140 years of combined experience in the real estate sector. They have a track record of successfully creating value for their clients by procuring the right type of asset while utilising an active asset management policy.

## 2.2 *Summary biographies*

The key personnel of the Manager who will be involved in the provision of investment management services to the Company are as follows:

### **Colin Godfrey BSc MRICS – Partner, Fund Manager**

Colin has overall responsibility for the provision of investment management and advisory services to the Company and is lead partner of the Manager. Colin began his career with Barclays Bank before joining Conran Roche in the late 1980s. Following this, Colin took a degree in Urban Estate Management before training with Weatherall Green and Smith (now BNP Paribas Real Estate). Following qualification as a chartered surveyor, Colin specialised in portfolio fund management with particular responsibility for the £1 billion assets of the British Gas Staff Pension Scheme and the property assets of Blue Circle pension fund. In 2000, Colin was a founding director of niche investment property agent SG Commercial (along with James Dunlop) in which capacity he worked increasingly closely with the Tritax Group. In 2004, Colin became a partner of the Tritax Group and is responsible for investment selection and product development. Colin is one of the founding partners of the Manager and the Investment Adviser.

### **James Dunlop BSc MRICS – Partner, Property Sourcing**

James has overall responsibility for the identifying, sourcing and structuring of suitable investment assets for the Company. James read Property Valuation and Finance at City University before joining Weatherall Green and Smith (now BNP Paribas Real Estate) where he qualified as a chartered surveyor in their Investment Development and Agency division in 1991. In 2000, James jointly formed SG Commercial (with Colin Godfrey) and became a partner in the Tritax Group in 2005. In his role with SG Commercial, James is regularly in contact with all the leading firms of agents and is retained by both foreign and domestic institutions and wealthy individuals to acquire and dispose of commercial property investments. James is responsible for identifying sectors and specific properties, negotiating on approved opportunities and handling the disposal of assets in due course. Along with Colin, James is one of the founding partners of the Manager and the Investment Adviser.

### **Henry Franklin BA CTA – Partner, Structuring and Legal**

Henry is responsible for the structuring of the Tritax Group funds, providing general legal counsel and overseeing compliance activities. Henry is a qualified solicitor who completed his articles with Ashurst LLP in 2001 specialising in taxation, mergers and acquisitions. He also qualified as a chartered tax adviser in 2004 before moving to Fladgate LLP in 2005, where he became a partner in 2007. At Fladgate LLP, Henry specialised in the structuring of commercial property funds. Henry joined the Tritax Group in 2008.

### **Petrina Austin BSc MRICS – Partner, Asset Management**

Petrina is responsible for the strategic management of the investment portfolio, identifying and progressing value enhancing initiatives, so as to protect and maximise investor returns. She is also responsible for all client reporting, liaison with funders and the management of third party professionals. Following a degree in Estate Management from Reading University, Petrina joined Carter Jonas to continue her professional training where

she qualified as a chartered surveyor in 1998. Petrina moved to King Sturge in 1999 to concentrate on institutional portfolio management. As a partner at Knight Frank from 2002, Petrina was responsible for the team managing central London trophy assets. Her remit also included development consultancy appointments, both in the UK and overseas. Petrina joined the Tritax Group in 2007.

**Bjorn Hobart MA BSc (Hons) MRICS – Partner, Property**

Bjorn is responsible for identifying and sourcing suitable investments for the Company and then financially modelling and appraising the returns to establish the validity within the context of the portfolio assets. He also manages the day-to-day due diligence during the acquisition process. After completing a degree in Geography from the University of Leeds in 2001, Bjorn started his career at Faber Maunsell (now AECOM). Having gained exposure to large scale developments, Bjorn went on to undertake an MA in Property Valuation and Law at Cass Business School, London. Bjorn undertook his professional training at Atisreal (now BNP Real Estate) in London, where he qualified as a Chartered Surveyor in 2005. In 2007, Bjorn joined SG Commercial LLP where he advised on large scale investment and development transactions in excess of £500 million. During this time, Bjorn worked closely with Tritax Group advising on their portfolio acquisitions and disposals. Bjorn joined the Tritax Group in 2011.

### 3. DIRECTORS AND MANAGEMENT INTERESTS IN THE COMPANY

Richard Jewson holds 30,000 Ordinary Shares and Mark Shaw holds 134,215 Ordinary Shares, representing 0.01 per cent. and 0.06 per cent. of the issued share capital of the Company as at 7 July 2014 (being the last practicable date prior to the date of this Registration Document), respectively.

The following directors have indicated their intention to participate in the Issue as set out in the table below:

Director	Intended Participation (Ordinary Shares)	Total Shareholding if Intended Participation taken up
Richard Jewson	10,000	40,000
Jim Prower	23,760	23,760

### 4. CORPORATE GOVERNANCE

#### 4.1 Standards of corporate governance

The Board is committed to the highest standards of corporate governance.

The Corporate Governance Code will apply to the Company from Admission. Since the IPO, the Company has voluntarily complied with the Corporate Governance Code save as set out below and, as at the date of this Registration Document, the Company complies with the requirements of the Corporate Governance Code save as set out below.

#### 4.2 The Board

The Board is responsible for leading and controlling the Company and has overall authority for the management and conduct of the Company's business, strategy and development. The Board is also responsible for ensuring the maintenance of a sound system of internal control and risk management (including financial, operational and compliance controls) and for reviewing the overall effectiveness of systems in place as well as for the approval of any changes to the capital, corporate and/or management structure of the Company.



#### 4.3 *Board and committee independence*

The Corporate Governance Code recommends that at least half the board of directors of a UK listed company, excluding the chairman, should comprise non-executive directors determined by the Board to be independent in character and judgment and free from relationships or circumstances which may affect, or could appear to affect, this judgment. As of the date of this Registration Document, the Board consists of four non-executive Directors and no executive directors.

As a partner of the Manager, Mark Shaw shall not vote at any meeting of the Board on any matter in relation to which he may have a material interest or an actual or potential conflict of interest, specifically in relation to any matter relating to the Manager. In addition, Mark Shaw will not take part in any Board discussion related to matters regarding the Manager, where the independent Directors make such a request. Further, Mark Shaw shall not take a fee for his role on the Board.

A majority of the Board will at all times be independent of the Manager.

#### 4.4 *Board committees*

As envisaged by the Corporate Governance Code, the Board has established an audit committee and a nomination committee. The Board does not consider it necessary to establish a separate remuneration committee as it has no executive directors. The Board has also established a management engagement committee, with the functions described below.

##### (a) Audit committee

The Company has established an audit committee which comprises all the Directors, with Jim Prower as the Chairman of the committee. The audit committee meets at least twice a year and assists the Board in observing its responsibility for ensuring that the Company's financial systems provide accurate and up-to-date information on its financial position and that the published financial statements represent a true and fair reflection of this position. It also assists the Board in ensuring that appropriate accounting policies, internal financial controls and compliance procedures are in place. The audit committee receives information from the external auditors.

##### (b) Management engagement committee

The Company has established a management engagement committee which comprises all the Directors, with Stephen Smith as the Chairman of the committee. The management engagement committee meets at least once a year. The management engagement committee's main function is to review and make recommendations on any proposed amendment to the Property Investment Management and Services Agreement and the Investment Advisory Agreement and keep under review the performance of the Manager and examine the effectiveness of the Company's internal control systems. The management engagement committee also performs a review of the performance of other key service providers to the REIT Group.

##### (c) Nomination committee

The Company has established a nomination committee which comprises all of the Directors with Richard Jewson as Chairman of the committee. The nomination committee's main function is to regularly review the structure, size and

composition of the Board and to consider succession planning for Directors. The nomination committee meets at least once per year.

#### 4.5 *Share dealing code*

The Company has adopted a code of securities dealings in relation to the Ordinary Shares which is based on, and is at least as rigorous as, the Model Code as contained in the Listing Rules. The code adopted applies to the Directors and any other persons discharging managerial responsibilities within the Company. The Directors will take all reasonable steps to secure compliance.

#### 4.6 *Treating customers fairly*

The Manager in its capacity as an FCA authorised AIFM is required to comply with the FCA Rules in relation to treating customers fairly. The overall customer and corporate culture outcomes of this initiative are included within Tritax Group's risk management programme. When new business initiatives are considered, the sponsoring senior manager is required to include the consideration of the appropriate outcomes within the new business proposal.

In terms of conduct, the Manager and the Tritax Group apply a tone from the top approach, and that tone mandates a continuous awareness of the needs of the investors into the Company. Managing the Company requires a commitment by all staff to the highest professional standards throughout the lifecycle of the Company from the selection of assets to be acquired, through to the management of those assets.

### **5. THE TRITAX GROUP BACKGROUND AND TRACK RECORD**

The Tritax Group started in 1995 where it focused on originating, syndicating and managing commercial property investments for private equity capital. The Tritax Group started by offering property investments structured to make use of available tax reliefs (such as Enterprise Zones) so as to enhance investors' returns.

The Company's Manager is Tritax Management LLP and is part of the Tritax Group. Since 1995, the Tritax Group has acquired and developed commercial property assets with an acquisition value of over £2.5 billion on behalf of property unit trusts, limited partnerships and syndicates, involving more than 120 separate investment vehicles and including Big Box assets, industrial properties, office, retail and hotels. As at 1 July 2014, the Tritax Group had total assets under management with an acquisition value of approximately £1.4 billion, across more than 20 investment vehicles (including the Company), consisting of over 9 million sq. ft. of real estate assets.

Since 2000, the Tritax Group has delivered an average exit IRR across its non-tax products of approximately 18.0 per cent. per annum, with a number of its tax products achieving performance in excess of this average. Its recent tenant list includes Amazon, Next Group plc, Intercontinental Hotels Group, Sainsbury's, RBS, Royal Mail, Tesco, IBM, HMRC, Halfords, GDF Suez, Accor, and Asda. As at 1 July 2014, it had a rent roll collection of more than £51 million from its assets.

All Tritax Group investment funds under management to date have been fully subscribed following successful fundraising and placement.

## 6. EXAMPLES OF TRITAX GROUP'S FUNDS

### 6.1 *The Tritax Amazon Fund (2012)*

In May 2012, the Tritax Amazon Fund acquired the newly constructed approximately 1 million sq. ft. purpose built Big Box distribution warehouse located next to the M90 motorway, north of Edinburgh and let to Amazon.co.uk Limited, the world's largest online retailer. The asset is let on a 20 year lease agreement with five yearly upwards only rent review index-linked to CPI (subject to a minimum 1 per cent. and a maximum 3 per cent. per year, compounding).

This asset was the first purpose built Big Box distribution warehouse in the UK for Amazon of over 1 million sq. ft. and as at the date of this Registration Document is the largest such asset occupied by Amazon in the UK. It represents a strategically important location for Amazon, due to: its close proximity to an existing (smaller) warehouse facility; Amazon's new customer service centre in Edinburgh city centre; access to Grangemouth Port which handles much of Amazon's supply of imported goods for distribution; and the drive time penetration for heavy goods vehicle distribution.

The Tritax Amazon Fund offered a 7.25 per cent. per annum income distribution on equity (paid quarterly), underpinned by rent guaranteed by the main European parent company of Amazon.co.uk Limited.

The investment was purchased for a 6.5 per cent. Net Initial Yield, and only 18 months later the fund had received unsolicited offers for 6.0 per cent Net Initial Yield on the basis of continued and increasing domination of Amazon in the online retail sector in the UK.

### 6.2 *Tritax Prime Distribution Income Fund (2013)*

In May 2013, the Tritax Prime Distribution Income Fund acquired a modern Grade A 750,000 sq. ft. Big Box national distribution unit located within the established South Yorkshire logistics hub centred on Doncaster. The building is let on a 20-year lease, without breaks, with five-yearly upwards-only rent reviews fixed at 2.0 per cent. per annum, to "The Range", one of the UK's leading value retailers. Target income is approximately 8.7 per cent. per annum and target IRR is over 11 per cent.

### 6.3 *Tritax Next EZ Unit Trust (2006)*

The Tritax Next EZ Unit Trust (the Trust) acquired a facility comprising two new state-of-the-art high-bay Big Box distribution warehouses of 1.1 million sq. ft. on an Enterprise Zone site of approximately 48 acres. The facility was pre-let to Next Group plc for 25 years with no breaks and fixed rental uplifts of 2.5 per cent. per annum compounded every five years. Combined, the two warehouses comprised the largest single Big Box development in the UK. The Tritax team sourced the land, negotiated the pre-letting to Next, funded the investment and oversaw the development before managing the asset. In mid-2013 Tritax negotiated a lease extension from the unexpired term of 18 years, to a new 25 year term, delivered to Next expansion land, and sold the investment at a Net Initial Yield of 5.5 per cent.

## 7. INVESTMENT MANAGEMENT AGREEMENT

### 7.1 Services

The Board is responsible for the determination of the Company's Investment Objective and Investment Policy and has overall responsibility for the Company's activities. However, the Manager provides property management services and advises the Company on property matters (management, administration and investment) pursuant to the Investment Management Agreement in its capacity as an FCA authorised AIFM.

Pursuant to the Investment Management Agreement, the Manager is responsible for identifying, structuring and monitoring investments and specifically will have responsibility for general property management of the properties held by the Company, including:

- (a) ensuring the Company receives necessary advice to comply with its lease and headlease obligations;
- (b) managing tenant applications and supervising tenants;
- (c) preparing budgets for the properties;
- (d) sourcing and assisting with the acquisition of properties that fall within the Company's Investment Policy;
- (e) advising the Company in circumstances where the interests in real estate in contemplation are securitised in such a way that advice in relation to their acquisition or disposal is regulated under FSMA;
- (f) implementing a comprehensive and focused active and entrepreneurial asset management strategy to deliver added value;
- (g) arranging senior and subordinated debt (if required) to optimise the capital structure and support the acquisition process; and
- (h) co-ordinating with third parties providing services to the Company.

In addition, the Administrator calculates the NAV of the Ordinary Shares on a semi-annual basis using third-party valuers to provide independent valuation reports on a six-monthly basis, such valuers to be appropriately qualified and internationally recognised and these calculations shall be reported to Shareholders in the Company's interim financial statements and annual accounts.

### 7.2 Manager's fees

In consideration of the performance by the Manager of the various property management and other services under the Investment Management Agreement, the Manager receives an annual management fee which is calculated quarterly in arrears based upon a percentage of the last published NAV of the Company (not taking into account cash balances) on the following basis:

<i>Company NAV (excluding cash balances)</i>	<i>Annual management fee (percentage of NAV)</i>
Up to and including £500 million	1.0 per cent.
Above £500 million and up to and including £750 million	0.9 per cent.
Above £750 million and up to and including £1 billion	0.8 per cent.
Above £1 billion	0.7 per cent.

75 per cent. of the total annual management fee due is payable in cash in arrears on a quarterly basis, and 25 per cent. of the total annual management fee (net of any applicable tax) will be payable in the form of Ordinary Shares rather than cash. The issue price for such Ordinary Shares is the prevailing NAV at the end of the relevant period concerned. If, however, the Company's Ordinary Shares are trading at a discount to the prevailing NAV at the relevant time, no new Ordinary Shares will be issued and instead the Ordinary Shares due to the Manager will be satisfied by a purchase or purchases of Ordinary Shares in the secondary market. In addition, any such Ordinary Shares issued or purchased for the Manager are subject to a minimum lock-in period of 12 months. However, the Manager may treat the Ordinary Shares as a liquid asset (which are therefore capable of being sold during the 12 month lock-in period) for the purposes of meeting any regulatory capital requirements applicable to the Manager's role as an AIFM.

The Manager is also entitled to be reimbursed for all disbursements, fees and costs payable to third parties properly incurred by the Manager on behalf of the Company pursuant to provision of the services under the Investment Management Agreement.

There are no performance, acquisition, exit or property management fees payable by the Company to the Manager.

### **7.3** *Term and termination*

The initial term of the Investment Management Agreement is derived from the original provisions of the Property Management and Services Agreement, which have been replicated in the Investment Management Agreement and provide for an initial term of five years from the commencement date as defined in the Investment Management Agreement (the "Initial Term"). The Investment Management Agreement is terminable by either party by giving not less than twelve months' prior written notice to the other, which notice may not be given before the fourth anniversary of the commencement date of the Property Management and Services Agreement. If notice to terminate this agreement is not given prior to the end of the Initial Term either party may on or after the end of the Initial Term terminate the Investment Management Agreement by giving not less than 12 months' prior written notice to the other.

The Investment Management Agreement may also be terminated on the occurrence of an insolvency event in relation to a party, if a party is fraudulent, grossly negligent or commits wilful default or misconduct which if capable of remedy is not remedied within 30 Business Days or on a force majeure event continuing for more than 90 days.

### **7.4** *Conflict management*

If the Manager or its affiliates source an investment or acquisition opportunity that falls within the Company's Investment Policy and the consideration payable is more than £25 million, the Manager shall offer the opportunity to the Company in priority to any other investor, and the Company shall have a maximum of two weeks to decide if it wishes to pursue the investment opportunity, during which period neither the Manager nor its affiliates will offer the investment opportunity to any other investor or pursue the opportunity themselves.

## **8. THE TAKEOVER CODE**

The City Code will apply to the Company as at Admission. Further details are set out in paragraph 11 of Part 9 of this Registration Document.

## **9. CONFLICTS OF INTEREST**

Notwithstanding the specific conflict management provisions contained within the Investment Management Agreement, the activities of the Manager or any of its associates, directors, partners, officers, employees, agents or professional advisers may, on occasion, give rise to conflicts of interest with the Company. Whenever such conflicts arise, the Manager shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated fairly.

The Directors have noted that the Manager has other clients and have satisfied themselves that the Manager has procedures in place to address potential conflicts of interest. In addition, the Manager has confirmed that it will have due regard to its obligations under its agreements with the Company and will otherwise act in a manner that they consider fair, reasonable and equitable, having due and proper regard to its obligations to other clients, should any potential conflicts of interest arise. Furthermore, the activities of the Manager in relation to the Company are subject to the overall direction and review of the Board. In this regard, as a partner of the Manager, Mark Shaw shall not vote at any meeting of the Board on any matter in relation to which he may have a material interest or an actual or potential conflict of interest, specifically in relation to any matter relating to the Manager. In addition, Mark Shaw will excuse himself from any Board discussion related to matters regarding the Manager where the independent Directors make such a request.

Four of the designated members of the Manager, namely Mark Shaw, Colin Godfrey, James Dunlop and Henry Franklin, are also partners of SG Commercial. SG Commercial provides general property agency services. While there are currently no existing contractual arrangements between the Company and SG Commercial, the Company may choose to appoint SG Commercial in the future from time to time on either a sole or joint basis. Any such appointment shall be made on normal market based contractual terms, on an arm's length basis. In the event any such appointment is proposed by the Manager, the Board shall be consulted and asked for its approval. Mark Shaw shall not vote at any meeting of the Board relating to contractual terms to be agreed between the Company and SG Commercial, nor with respect to any investment decision where SG Commercial is acting as agent in any capacity.

## **10. OTHER ADVISERS**

Other normal market based fees will be payable to additional service providers to the REIT Group, and, where relevant, on a property-by-property basis. The main additional service providers to the REIT Group are set out below.

### **10.1 *Registrar***

The Registrar is appointed as the Company's registrar. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee of £22,500 in respect of the provision of basic registration services. Further details of the Registrar Agreement are set out in paragraph 12.17 of Part 9 of this Registration Document.

### **10.2 *Company Secretary***

The Company Secretary provides company secretarial services to the Company under the terms of a company secretarial agreement. In such capacity, the Company Secretary is responsible for general administrative and company secretarial functions required by the Companies Act.



Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to a fee of £25,000 per annum (exclusive of VAT) which is reviewed annually. The Company may at any time without prior notice terminate the Company Secretarial Agreement. Further details of the Company Secretarial Agreement are set out in paragraph 20.20 of Part 9 of this Registration Document.

#### 10.3 *Administrator*

Capita Sinclair Henderson Limited is appointed as Administrator to the Company. The Administrator provides the day-to-day administration of the Company and is also responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records.

Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee of £54,000 per annum (exclusive of VAT) for 12 months from 9 December 2013 and £4,500 per month (exclusive of VAT) thereafter. The Administration Agreement shall continue until terminated by either party giving 3 months' notice. Further details of the Administration Agreement are set out in paragraph 12.16 of Part 9 of this Registration Document.

#### 10.4 *Auditor*

BDO LLP provides audit services to the Company. The annual report and accounts are prepared in accordance with the accounting standards set out under IFRS and with EPRA's best practice recommendations. The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company; there is therefore no maximum amount payable under the Auditor's engagement letter.

#### 10.5 *AIFMD Depositary*

The Manager entered into a framework depositary agreement with Langham Hall UK LLP on 20 May 2014. The Manager is authorised by the FCA as a manager of AIFs for the purposes of the AIFMD, and is required, in accordance with the AIFMD and the UK AIFMD Rules, to ensure that a single appropriately authorised depositary is appointed to perform certain activities such as monitoring the Company's cash flow, safeguarding certain assets of the Company and performing general oversight in relation to the issuance of Ordinary Shares. The costs of such services will be borne by the Company.

### 11. **TOTAL EXPENSE RATIO**

On full investment, assuming gross proceeds of £150 million from the Issue, the Total Expense Ratio of the REIT Group is expected to be approximately 1.15 per cent. on an annualised basis inclusive of the value of the Ordinary Shares payable to the Manager pursuant to the Investment Management Agreement.

### 12. **INTERNAL CONTROLS**

The Board acknowledges it is responsible for maintaining the Company's system of internal control and risk management in order to safeguard the assets of the Company. This system is designed to identify, manage and mitigate financial, operational and compliance risks inherent to the Company. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

## PART 5

### THE UK-REIT REGIME

#### 1. THE UK-REIT REGIME

The summary of the UK-REIT regime below is intended to be a general guide as to the UK-REIT regime and not an exhaustive summary of all applicable legislation. The UK-REIT regime introduced by the Finance Act 2006 and subsequently re-written in the Corporation Tax Act 2010 (“**CTA 2010**”) was established to encourage greater investment in the UK property market and followed similar legislation in other countries such as the Netherlands, in addition to more long-established regimes in the United States and Australia.

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

Under the UK-REIT regime UK resident REIT Group members and non UK resident REIT Group members with a UK qualifying property rental business do not pay UK direct taxes on their income and capital gains from their qualifying property rental business (the “**Property Rental Business**”), provided that certain conditions are satisfied. Gains arising in UK resident companies on the disposal of shares in property owning companies would, however, be subject to UK corporation tax. In addition, overseas REIT Group members will remain subject to corporate income tax in respect of any property rental business carried on outside the UK, and UK and overseas direct taxes are still payable in respect of any income and gains from the REIT Group’s business (generally including any property trading business) not included in the Property Rental Business (the “**Residual Business**”). Distributions out of the profits relating to the Property Rental Business will be treated for UK tax purposes as UK property income in the hands of Shareholders.

In this Part 8, “**Property Rental Business**” means a business within the meaning of section 205 of the Corporation Tax Act 2009 (“**CTA**”) or an overseas property business within the meaning of section 206 CTA, but, in each case, excluding certain specified types of business. A “**Qualifying Property Rental Business**” means a property rental business fulfilling the conditions in section 529 CTA 2010. While within the UK-REIT regime, the Property Rental Business will be treated as a separate business for corporation tax purposes from the Residual Business and a loss incurred by the Property Rental Business cannot be set off against profits of the Residual Business (and *vice versa*).

The principal company of the UK-REIT (which, for the purposes of this Part 8, will be the Company) will be required to distribute to shareholders (by way of dividend), on or before the filing date for the principal company’s tax return for the accounting period in question, at least 90 per cent. of the income profits (broadly, calculated using normal UK corporation tax rules) of the UK resident members of the REIT Group in respect of their Property Rental Business and of the non-UK resident members of the REIT Group insofar as they derive from their UK Property Rental Business arising in each accounting period. Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure, although this charge can be avoided if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level.

In this Registration Document, references to a company's accounting period are to its accounting period for UK tax purposes. This period can differ from a company's accounting period for other purposes. A dividend received by a shareholder of the principal company in respect of profits and gains of the Property Rental Business of the UK resident members of the REIT Group or in respect of the profits or gains of a non-UK resident member of the REIT Group insofar as they derive from their UK Property Rental Business is referred to in this Registration Document as a "**Property Income Distribution**" or "**PID**". Any other dividend received by a shareholder of a UK-REIT will be referred to herein as a "**Non-PID Dividend**".

Subject to certain exceptions, Property Income Distributions will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the UK tax treatment of certain Shareholders after entry into the UK-REIT regime are set out below.

## **2. QUALIFICATION AS A UK-REIT**

A group becomes a UK-REIT by the principal company serving notice on HMRC. In order to qualify as a UK-REIT, the REIT Group must satisfy certain conditions set out in CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the principal company must satisfy the conditions set out in paragraphs 2.1 to 2.4 below and the REIT Group members must satisfy the conditions set out in paragraph 2.5.

### **2.1 *Company conditions***

The principal company must be solely UK resident, admitted to trading on a recognised stock exchange and it must not be an open-ended investment company. The principal company's shares must either be listed on a recognised stock exchange throughout each accounting period or traded on a recognised stock exchange in each accounting period. This listing/trading requirement is relaxed in the REIT Group's first three accounting periods but the REIT Group can benefit from this relaxation only once. The principal company can be a close company for the first three years after joining the regime, after which it can no longer be close (the "close company condition"). The company will not be treated as close simply because it has certain institutional investors as participators, including the trustee or manager of an authorised unit trust or a pension scheme, a person acting on behalf of a limited partnership which is a collective investment scheme, a charity, an insurance company, a sovereign investor, an open-ended investment company or, with effect from 1 April 2014, another UK-REIT (or a non-UK equivalent of a UK-REIT). If the close company condition is breached because the principal company is acquired by another group UK-REIT, HMRC cannot issue a breach notice.

### **2.2 *Share capital restrictions***

The principal company must have only one class of ordinary share in issue. The only other shares it may issue are non-voting restricted preference shares, including shares which would be restricted preference shares but for the fact that they carry a right of conversion into shares or securities in the Company. The directors do not intend to issue more than one class of share.

### **2.3 *Borrowing restrictions***

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

respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

#### 2.4 *Financial Statements*

The principal company must prepare financial statements (the “**Financial Statements**”) in accordance with statutory requirements set out in Sections 532 and 533 of the CTA 2010 and submit these to HMRC. In particular, the Financial Statements must contain the information about the Property Rental Business, Tax-Exempt Business and the residual business separately.

#### 2.5 *Conditions for the Property Rental Business*

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

- (a) the Property Rental Business must throughout the accounting period have at least three properties;
- (b) throughout the accounting period no one property may represent more than 40 per cent. of the total value of the properties involved in the Property Rental Business. Assets must be valued in accordance with international accounting standards and at fair value when international accounting standards offers a choice between a cost basis and a fair value basis;
- (c) treating all members of the REIT Group as a single company, the Property Rental Business must not include any property which is classified as owner-occupied in accordance with generally accepted accounting practice;
- (d) at least 90 per cent. of the amounts shown in the Financial Statements of the REIT Group companies as income profits arising in respect of the Tax-exempt Business in the accounting period, must be distributed by the principal company of the REIT Group in the form of a PID generally on or before the filing date for the principal company's tax return for the accounting period (currently one year after the end of the period concerned) (the “**90 per cent. distribution test**”). For the purpose of satisfying the 90 per cent. distribution test, the distribution may be made either as a dividend in cash, or as share capital issued in lieu of a cash dividend;
- (e) the income profits arising from the Property Rental Business must represent at least 75 per cent. of the REIT Group's total income profits for the accounting period (the “**75 per cent. profits test**”);
- (f) at the beginning of the accounting period the value of the assets in the Property Rental Business must represent at least 75 per cent. of the total value of assets held by the REIT Group (the “**75 per cent. assets test**”). Cash held on deposit and gilts may be added to the value of the assets relating to the Property Rental Business for the purpose of meeting the 75 per cent. test.

### 3. **INVESTMENT IN OTHER UK-REITS**

Finance Act 2013 provided for changes to Part 12 of CTA 2010 in order to facilitate investments by UK-REITs in other UK-REITs. The legislation exempts a distribution of profits or gains of the Property Rental Business by one UK-REIT to another UK-REIT. The investing UK-REIT is required to distribute 100 per cent. of the distributions to its shareholders. The investment by one UK-REIT in another UK-REIT will be a Property Rental Business asset for the purposes of the 75 per cent assets test.

## **4. EFFECT OF BECOMING A UK-REIT**

### **4.1 *Tax savings***

As a UK-REIT, the REIT Group will not pay UK corporation tax on profits and gains from the Property Rental Business. Corporation tax will still apply in the normal way in respect of the Residual Business.

Corporation tax could also be payable were the shares in a member of the REIT Group to be sold (as opposed to property involved in the UK Property Rental Business). The REIT Group will also continue to pay all other applicable taxes including VAT, stamp duty land tax, stamp duty, PAYE, rates and national insurance in the normal way.

### **4.2 *Dividends***

When the principal company of a UK-REIT pays a dividend, that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution condition. If the dividend exceeds the amount required to satisfy that test, the UK-REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business. Any remaining balance of the dividend (or other distribution) will generally be deemed to be a PID, firstly in respect of the income profits for the current year or previous years out of which a PID can be paid and secondly in respect of capital gains which are exempt from tax by virtue of the UK-REIT Regime. Any remaining balance will be attributed to other distributions. Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent).

If the REIT Group ceases to be a UK-REIT, dividends paid by the principal company may nevertheless be PIDs for a transitional period to the extent they are paid in respect of profits and gains of the Qualifying Property Rental Business whilst the REIT Group was within the UK-REIT regime.

### **4.3 *Interest cover ratio***

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

### **4.4 *The "10 per cent. rule"***

The principal company of a UK-REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company. Shareholders should note that this tax charge only applies where a dividend is paid to persons that are companies or are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the UK has a double taxation agreement, or for the purposes of such double tax agreements. It does not apply where a nominee has such a 10 per cent. or greater holding unless the persons on whose behalf the nominee holds the shares meets the test in their own right.

This tax charge will not be incurred if the principal company has taken reasonable steps to avoid paying dividends to such a person. HMRC guidance describes certain actions that might be taken to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the principal company's articles of association to address



this requirement. The Articles (as summarised in paragraph 7 of Part 9 of this Registration Document) are consistent with the provisions described in the HMRC guidance.

#### 4.5 *Property development and property trading by a UK-REIT*

A property development undertaken by a member of the REIT Group can be within the Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (a) the date on which the relevant company becomes a member of a UK-REIT, and (b) the date of the acquisition of the development property, and the UK-REIT sells the development property within three years of completion of the development, the property will be treated as never having been part of the Property Rental Business for the purposes of calculating any gain arising on disposal of the property. Any gain will be chargeable to corporation tax.

If a member of the REIT Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Property Rental Business for the purposes of calculating any profit arising on disposal of the property. Any profit will be chargeable to corporation tax.

#### 4.6 *Movement of assets in and out of Property Rental Business*

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

#### 4.7 *Joint ventures*

The UK-REIT rules also make certain provisions for corporate joint ventures. If one or more members of the REIT Group are beneficially entitled, in aggregate, to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, that joint venture company (or its subsidiaries) is carrying on a qualifying Property Rental Business which satisfies the 75 per cent. profits test and the 75 per cent. assets test (the “**JV company**”) and certain other conditions are satisfied, the principal company may, by giving notice to HMRC, elect for the assets and income of the JV company to be included in the Property Rental Business for tax purposes. In such circumstances, the income and assets of the JV company will count towards the 90 per cent. distribution test and the 75 per cent. profits test, and its assets will count towards the 75 per cent. assets test.

The REIT Group's share of the underlying income and gains arising from any interest in a tax transparent vehicle carrying on a qualifying Property Rental Business, including offshore unit trusts or partnerships, should automatically fall within the UK-REIT tax exemption, and will count towards the 75 per cent. profits and assets tests, provided the REIT Group is entitled to at least 20 per cent. of the profits and assets of the relevant tax transparent vehicle. The REIT Group's share of the Property Rental Business profits arising will also count towards the 90 per cent. distribution test.

#### 4.8 *Acquisitions and takeovers*

If a UK-REIT is taken over by another UK-REIT, the acquired UK-REIT does not necessarily cease to be a UK-REIT and will, provided the conditions are met, continue to



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

The position is different where a UK-REIT is taken over by an acquiror which is not a UK-REIT. In these circumstances, the acquired UK-REIT is likely in most cases to fail to meet the requirements for being a UK-REIT and will therefore be treated as leaving the UK-REIT regime at the end of its accounting period preceding the takeover and ceasing from the end of that accounting period to benefit from tax exemptions on the profits of its Property Rental Business and capital gains on disposal of property forming part of its Property Rental Business. The properties in the Property Rental Business are treated as having been sold and reacquired at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax free as they are deemed to have been made at a time when the acquired UK-REIT was still in the UK-REIT regime and future capital gains on the relevant assets will therefore be calculated by reference to a base cost equivalent to this market value. If the acquired UK-REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be recharacterised retrospectively as normal dividends.

#### **4.9 *Certain tax avoidance arrangements***

If HMRC believes that a member of the REIT Group has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Property Rental Business.

### **5. EXIT FROM THE UK-REIT REGIME**

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

If the REIT Group voluntarily leaves the UK-REIT regime within ten years of joining and disposes of any property that was involved in its Property Rental Business within two years of leaving, any uplift in the base cost of the property as a result of the deemed disposals on entry into and exit from the UK-REIT regime is disregarded in calculating the gain or loss on the disposal.

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

- (a) it regards a breach of the Property Rental Business, Balance of Business or Distribution conditions; or
- (b) an attempt by the REIT Group to avoid tax, as so serious; or
- (c) the REIT Group has committed a certain number of minor or inadvertent breaches of the conditions in a specified period; or
- (d) HMRC has given members of the REIT Group two or more notices in relation to the avoidance of tax within a ten year period of the first notice having been given.

In addition, if the conditions for UK-REIT status relating to the share capital of the principal company and the prohibition on entering into loans with abnormal returns are breached or

the principal company ceases to be UK resident, becomes dual resident or an open-ended company, ceases to be listed or traded or (in certain circumstances) ceases to fulfil the close company condition (as described above), it will automatically lose UK-REIT status. Where the REIT Group is required by HMRC to leave the UK-REIT regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the REIT Group is treated as exiting the UK-REIT regime.

Shareholders should note that it is possible that the REIT Group could lose its status as a UK-REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a UK-REIT) or other circumstances outside the REIT Group's control.

## PART 6

### FINANCIAL INFORMATION ON THE REIT GROUP

#### SECTION A: ACCOUNTANT'S REPORT ON THE FINANCIAL INFORMATION ON THE REIT GROUP



BDO LLP  
55 Baker Street  
London  
W1U 7EU

8 July 2014

The Directors  
Tritax Big Box REIT plc  
Aberdeen House  
South Road  
Haywards Heath  
West Sussex  
RH16 4NG

Jefferies International Limited  
Vintners Place  
68 Upper Thames Street  
London  
EC4V 3BJ

Dear Sirs

**Tritax Big Box REIT plc (the “Company”) and its subsidiary undertakings (together, the “REIT Group”)**

#### **Introduction**

We report on the financial information set out in Section B of Part 6. This financial information has been prepared for inclusion in the registration document dated 8 July 2014 of the Company (the “**Registration Document**”) on the basis of the accounting policies set out in note 3 to the financial information. This report is required by item 20.1 of annex I of the Commission Regulation (EC) No. 809/2004 (the “**PD Regulation**”) and is given for the purpose of complying with that item and for no other purpose.

#### **Responsibilities**

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you. Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of annex I of the PD Regulation, consenting to its inclusion in the Registration Document.

## **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

## **Opinion**

In our opinion, the financial information gives, for the purposes of the Registration Document, a true and fair view of the state of affairs of the REIT Group as at 28 February 2013, 31 October 2013 and 31 May 2014 and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Declaration**

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

Yours faithfully

## **BDO LLP**

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## SECTION B: FINANCIAL INFORMATION ON THE REIT GROUP

### REIT GROUP STATEMENTS OF COMPREHENSIVE INCOME

		<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 31 May 2014 £'000</i>
Gross rental income	5	—	—	4,400
Service charge income	5	—	—	106
Service charge expenses	6	—	—	(106)
<b>Net rental income</b>		—	—	<b>4,400</b>
Administrative and other expenses	7	—	—	(1,237)
<b>Operating profit before result on property portfolio</b>		—	—	<b>3,163</b>
Changes in fair value of investment properties	12	—	—	9,761
<b>Operating profit</b>		—	—	<b>12,924</b>
Finance income	9	—	—	29
<b>Profit before taxation</b>		—	—	<b>12,953</b>
<b>Tax credit/(charge) on profit for the period</b>	10	—	—	—
<b>Total comprehensive income (attributable to the shareholders)</b>		—	—	<b>12,953</b>
<b>Earnings per share – basic and diluted (pence)</b>	11	—	—	<b>6.48p</b>
<b>EPRA earnings per share – basic and diluted (pence)</b>	11	—	—	<b>1.60p</b>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At 28 February 2013 £'000	At 31 October 2013 £'000	At 31 May 2014 £'000
<b>Non-current assets</b>				
Investment property	12	—	—	200,100
<b>Total non-current assets</b>		<b>—</b>	<b>—</b>	<b>200,100</b>
<b>Current assets</b>				
Trade and other receivables	14	—	—	348
Called up share capital not paid		50	50	—
Cash and cash equivalents	15	—	—	10,520
<b>Total current assets</b>		<b>50</b>	<b>50</b>	<b>10,868</b>
<b>Total assets</b>		<b>50</b>	<b>50</b>	<b>210,968</b>
<b>Current liabilities</b>				
Deferred rental income		—	—	(816)
Trade and other payables	16	—	—	(1,093)
<b>Total current liabilities</b>		<b>—</b>	<b>—</b>	<b>(1,909)</b>
<b>Total liabilities</b>		<b>—</b>	<b>—</b>	<b>(1,909)</b>
<b>Total net assets</b>		<b>50</b>	<b>50</b>	<b>209,059</b>
<b>Equity</b>				
Share capital	17	50	50	2,000
Share premium reserve	18	—	—	194,106
Retained earnings	19	—	—	12,953
<b>Total equity</b>		<b>50</b>	<b>50</b>	<b>209,059</b>
<b>Net asset value per share – basic and diluted</b>	20	<b>100p</b>	<b>100p</b>	<b>104.53p</b>
<b>EPRA net asset value per share – basic and diluted</b>	20	<b>100p</b>	<b>100p</b>	<b>104.53p</b>



## REIT GROUP CASH FLOW STATEMENT

	<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 31 May 2014 £'000</i>
<b>Cash flows from operating activities</b>			
Profit for the period (attributable to equity shareholders)	—	—	12,953
Less: Changes in fair value of investment properties	—	—	(9,761)
Less: Finance income	—	—	(29)
Accretion of tenant lease incentive	—	—	(334)
Increase in trade and other receivables	—	—	(458)
Increase in trade and other payables	—	—	1,658
<b>Cash generated from operations</b>	<b>—</b>	<b>—</b>	<b>4,029</b>
Taxation paid	—	—	—
<b>Net cash flow generated from operating activities</b>	<b>—</b>	<b>—</b>	<b>4,029</b>
<b>Cash flows from investing activities</b>			
Purchase of investment properties	—	—	(189,643)
<b>Net cash flow used in investing activities</b>	<b>—</b>	<b>—</b>	<b>(189,643)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary share capital	—	—	200,000
Cost of share issue	—	—	(3,894)
Interest received	—	—	28
<b>Net cash flow generated from financing activities</b>	<b>—</b>	<b>—</b>	<b>196,134</b>
<b>Net increase in cash and cash equivalents for the period</b>	<b>—</b>	<b>—</b>	<b>10,520</b>
<b>Cash and cash equivalents at start of year</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Cash and cash equivalents at end of year</b>	<b>—</b>	<b>—</b>	<b>10,520</b>

# REIT GROUP STATEMENT OF CHANGES IN EQUITY

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
<b>12 September 2012</b>				
Profit for the year	—	—	—	—
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Issue of Ordinary shares	50	—	—	50
<b>28 February 2013</b>	<b>50</b>	<b>—</b>	<b>—</b>	<b>50</b>
<b>1 March 2013</b>	<b>50</b>	<b>—</b>	<b>—</b>	<b>50</b>
Profit for the year	—	—	—	—
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>31 October 2013</b>	<b>50</b>	<b>—</b>	<b>—</b>	<b>50</b>
<b>1 November 2013</b>	<b>50</b>	<b>—</b>	<b>—</b>	<b>50</b>
Profit for the year	—	—	12,953	12,953
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>12,953</b>	<b>12,953</b>
Issue of Ordinary shares	1,950	198,000	—	199,950
Share issue costs	—	(3,894)	—	(3,894)
<b>31 May 2014</b>	<b>2,000</b>	<b>194,106</b>	<b>12,953</b>	<b>209,059</b>

## NOTES TO THE FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union.

The REIT Group's financial information has been prepared on a historical cost basis, except for investment property which has been measured at fair value. The consolidated financial information is presented in Sterling which is also the REIT Group's functional currency and all values are rounded to the nearest thousand (£'000), except where otherwise indicated.

### 2. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the REIT Group's financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### 2.1 *Judgments*

In the process of applying the REIT Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial information:

##### (a) Business combinations

The REIT Group acquires subsidiaries that own real estate. At the time of acquisition, the REIT Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The REIT Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

Where such acquisitions are not judged to be the acquisition of a business, they are treated as business combinations, rather the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.

##### (b) Operating lease contracts – the REIT Group as lessor

The REIT Group has acquired investment properties which are subject to commercial property leases with tenants. The REIT Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

##### (c) Fair valuation of investment property

The market value of investment property is determined, by real estate valuation experts, to be the estimated amount for which a property should exchange on the

date of the valuation in an arm's length transaction. Properties have been valued on an individual basis. The valuation experts use recognised valuation techniques and the principles of IFRS 13.

The valuations have been prepared in accordance with the RICS Valuation – Professional Standards January 2014 (“the Red Book”). Factors reflected include current market conditions, annual rentals, lease lengths, and location. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in Note 12.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 *Basis of consolidation***

The consolidated financial information comprises the financial information of the REIT Group and its subsidiaries as at 28 February 2013, 31 October 2013 and 31 May 2014. Control is achieved when the REIT Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the REIT Group controls an investee if, and only if, it has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect its returns.

When the REIT Group has less than a majority of the voting or similar rights of an investee, the REIT Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the REIT Group's voting rights and potential voting rights.

The REIT Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the REIT Group obtains control over the subsidiary and ceases when the REIT Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Group statement of other comprehensive income from the date the REIT Group gains control until the date when the REIT Group ceases to control the subsidiary.

The financial information of the subsidiaries is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

### 3.2 *Borrowing costs*

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 3.3 *Segmental information*

The Directors are of the opinion that the REIT Group is engaged in a single segment business, being the investment in the United Kingdom in Big Box assets.

### 3.4 *Investment property*

Investment property comprises completed property that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise, including the corresponding tax effect.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property. Any gains or losses are recognised in the income statement in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period's financial information.

### 3.5 *Rent and other receivables*

Rent and other receivables are recognised at their original invoiced value. Where the time value of money is material, receivables are carried at amortised cost. A provision is made when there is objective evidence that the REIT Group will not be able to recover balances in full.

### 3.6 *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

### 3.7 *Rental income*

The REIT Group is the lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease

terms and is included in gross rental income in the income statement due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when the right to receive them arises.

#### 3.7.1 Service charges, management charges and other expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in net rental income gross of the related costs, as the directors consider that the REIT Group acts as principal in this respect.

### 3.8 *Taxation*

Taxation on the profit or loss for the period not exempt under UK REIT regulations comprises current and deferred tax. Taxation is recognised in the REIT group statement of comprehensive income except to the extent that it relates to items recognised as direct movement in equity, in which case it is also recognised as a direct movement in equity.

Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

## 4. **STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The following new standards, interpretations and amendments, which are not yet effective and have not been early adopted in this financial information, will or may have an effect on the REIT Group's future financial information:

### 4.1 *IFRS 9 Financial instruments: Classification and measurement*

IFRS 9, as issued in 2010, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013. In November 2013, Chapter 6 of IFRS 9 on hedge accounting was published. At the same time, Chapter 7 containing the effective date and transition provisions was amended to remove the mandatory effective date of IFRS 9. This was intended to provide sufficient time for preparers to make the transition to the new requirements.

Entities may still choose to apply IFRS 9 immediately, but are not required to do so.

In subsequent phases, the IASB is addressing impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the REIT Group's financial assets, but will not have an impact on



classification and measurements of financial liabilities. The REIT Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

#### 4.2 *Investment entities (amendments to IFRS 10, IFRS 12 and IAS 27)*

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments are effective for annual periods beginning on or after 1 January 2014.

It is not expected that this amendment would be relevant to the REIT Group, since none of the entities in the REIT Group would qualify to be an investment entity under IFRS 10.

### 5. **PROPERTY INCOME**

	<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 1 May 2014 £'000</i>
Rental income – Freehold property	–	–	4,393
Other property income	–	–	7
	<b>–</b>	<b>–</b>	<b>4,400</b>
Property insurance recoverable	–	–	86
Service charges recoverable	–	–	20
Service charge income	–	–	106
<b>Total property income</b>	<b>–</b>	<b>–</b>	<b>4,506</b>

### 6. **PROPERTY EXPENSES**

	<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 1 May 2014 £'000</i>
Property insurance expense	–	–	86
Service charge expense	–	–	20
Costs to cover recoverable income	–	–	106

## 7. ADMINISTRATIVE EXPENSES

	<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 1 May 2014 £'000</i>
Investment management fees	—	—	730
Directors' remuneration	—	—	74
Auditors' fees			
• Fees payable for the audit of the Company's annual accounts	—	—	25
• Fees payable for the audit of the Companies subsidiaries	—	—	2
Corporate administration fees	—	—	82
Regulatory fees	—	—	116
Legal and professional fees	—	—	166
Marketing and promotional fees	—	—	19
Other administrative costs	—	—	23
	<b>—</b>	<b>—</b>	<b>1,237</b>

The auditor has also received £100,000 in respect of providing reporting accountant services in connection with the listing of the Company, and a further £35,000 in respect of advisory services provided in connection with the acquisition of Group assets.<sup>1</sup>

## 8. DIRECTORS' REMUNERATION

	<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 1 May 2014 £'000</i>
Director fees	—	—	68
Employer's National Insurance	—	—	5
Director's expenses	—	—	1
	<b>—</b>	<b>—</b>	<b>74</b>

<sup>1</sup> The fees relating to the listing of the Company have been treated as share issue expenses and offset against share premium. The fees in relation to the acquisition of assets have been capitalised into the cost of the respective assets.

## 9. FINANCE INCOME

	<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 1 May 2014 £'000</i>
Interest received on bank deposits	–	–	29
	<b>–</b>	<b>–</b>	<b>29</b>

## 10. TAXATION

### (a) Tax charge in the REIT Group statement of comprehensive income

	<b>For the period 14 September 2012 to 28 February 2013 £'000</b>	<b>For the period 1 March 2013 to 31 October 2013 £'000</b>	<b>For the period 1 November 2013 to 1 May 2014 £'000</b>
UK corporation tax	–	–	–

A reduction in the UK corporation tax rate from 23% to 21% was effective from 1 April 2014. In addition, the Government announced its intention to further reduce the UK corporation tax rates from 21% to 20% from 1 April 2015. Accordingly, these rates have been applied in the measurement of the REIT Group's tax liability at 31 May 2014.

### (b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 1 May 2014 £'000</i>
Profit on ordinary activities before taxation	–	–	12,953
Theoretical tax at UK corporation tax rate of 21.71% (31 Oct 2013: 23.0%)	–	–	2,812
REIT exempt income	–	–	(2,812)
Current tax credit (note 10a)	<b>–</b>	<b>–</b>	<b>–</b>

## 11. EARNINGS PER SHARE

Earnings per share (EPS) amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The calculation of basic and diluted earnings per share is based on the following:

	<i>Net profit attributable to Ordinary Shareholders £'000</i>	<i>Ordinary Shares (number)</i>	<i>Per Share (pence)</i>
<b>For the period 14 September 2012 to 28 February 2013</b>			
Basic earnings per share	–	50,000	–
EPRA basic and diluted earnings per share	–	50,000	–
<b>For the period 1 March 2013 to 31 October 2013</b>			
Basic and diluted earnings per share	–	50,000	–
EPRA basic and diluted earnings per share	–	50,000	–
<b>For the period 1 November 2013 to 1 May 2014</b>			
Basic and diluted earnings per share	12,953	200,000,000	6.48p
Adjustments to remove:			
Changes in fair value of investment property (Note 12)	(9,761)		
EPRA basic and diluted earnings per share	3,192	200,000,000	1.60p

## 12. INVESTMENT PROPERTY

In accordance with IAS 40: Investment Property, the valuations have been independently valued at fair value by CBRE, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment property being valued. The valuations have been prepared in accordance with the RICS Valuation – Professional Standards January 2014 (“the **Red Book**”). The valuers have sufficient current local and national knowledge of the particular property markets involved, and have the skills and understanding to undertake the valuations competently.

The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13.

In accordance with the Company’s accounting policies, it has treated acquisitions during the year as asset purchases rather than business combinations as they were judged to be acquisitions of properties rather than businesses.

	<i>Investment properties freehold £'000</i>	<i>Investment properties long leasehold £'000</i>	<i>Total £'000</i>
As at 12 September 2012	–	–	–
Property Additions	–	–	–
<b>As at 28 February 2013</b>	<b>–</b>	<b>–</b>	<b>–</b>
As at 1 March 2013	–	–	–
Property Additions	–	–	–
<b>As at 31 October 2013</b>	<b>–</b>	<b>–</b>	<b>–</b>
As at 1 November 2013	–	–	–
Property Additions	190,005	–	190,005
Increase in tenant lease incentive	334	–	334
Change in fair value during the period	9,761	–	9,761
<b>As at 31 May 2014</b>	<b>200,100</b>	<b>–</b>	<b>200,100</b>

#### *Fair value hierarchy*

The following table provides the fair value measurement hierarchy for Investment property:

	<i>Date of valuation</i>	<i>Total £'000</i>	<i>Quoted prices in active markets (Level 1) £'000</i>	<i>Significant observable inputs (Level 2) £'000</i>	<i>Significant unobservable inputs (Level 3) £'000</i>
<b>Assets measured at fair value:</b>					
Investment properties	28 Feb 13	–	–	–	–
Investment properties	31 Oct 13	–	–	–	–
Investment properties	31 May 14	200,100	–	–	200,100

There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

The valuations have been prepared on the basis of Market Value (“MV”) which is defined in the RICS Valuation Standards, as:

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

The following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

(a) Unobservable input: Passing rent

The rent at which space could be let in the market conditions prevailing at the date of valuation. (Range: £1,920,000-£4,227,051 per annum).

(b) Unobservable input: rental growth

The estimated average increase in rent based on both market estimations and contractual arrangements.

- (c) Unobservable input: Net initial yield

The net initial yield is defined as the initial gross income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase. (Range: 4.65%-6.25%)

- (d) Unobservable input: physical condition of the property

The properties are physically inspected on a three year rotating basis.

### 13. INVESTMENTS

Those subsidiaries listed below are considered to be the only principal subsidiaries of the Company:

	<i>Country of incorporation</i>	<i>Ownership %</i>	<i>Principal Activity</i>
Tritax Acquisition 1 Limited	Jersey	100%	Holding company
Baljean Properties Limited	Isle of Man	100%	Property investment
Tritax Acquisition 2 Limited	Jersey	100%	Holding company
Tritax Acquisition 2 (SPV) Limited	Jersey	100%	Holding company
The Sherburn RDC Unit Trust	Jersey	100%	Property investment
Tritax REIT Acquisition 3 Limited	UK	100%	Property investment
Tritax REIT Acquisition 4 Limited	UK	100%	Holding company
Tritax Acquisition 4 Limited	Jersey	100%	Property investment
Tritax REIT Acquisition 5 Limited	UK	100%	Holding company
Tritax Acquisition 5 Limited	Jersey	100%	Property investment
Tritax Acquisition 6 Limited	Jersey	100%	Holding company
Sonoma Ventures Limited	BVI	100%	Property investment

### 14. TRADE AND OTHER RECEIVABLES

	<i>28 Feb 2013 £'000</i>	<i>31 Oct 2013 £'000</i>	<i>31 May 2014 £'000</i>
Prepayments	–	–	163
Other receivables	–	–	185
	<b>–</b>	<b>–</b>	<b>348</b>

As there was no trade and other receivables past due at the period end, no aged analysis of trade receivables has been included.

### 15. CASH AND CASH EQUIVALENTS

	<i>28 Feb 2013 £'000</i>	<i>31 Oct 2013 £'000</i>	<i>31 May 2014 £'000</i>
Cash held at bank	–	–	10,520
	<b>–</b>	<b>–</b>	<b>10,520</b>



## 16. TRADE AND OTHER PAYABLES

	28 Feb 2013 £'000	31 Oct 2013 £'000	31 May 2014 £'000
Trade and other payables	–	–	410
Accruals	–	–	608
Corporation tax	–	–	75
	<b>–</b>	<b>–</b>	<b>1,093</b>

## 17. SHARE CAPITAL

	28 Feb 2013 Number	28 Feb 2013 £000	31 Oct 2013 Number	31 Oct 2013 £000	31 May 2014 Number	31 May 2014 £000
<b>Issued and fully paid at 1p each (formerly £1 each)</b>	<b>50,000</b>	<b>50</b>	<b>50,000</b>	<b>50</b>	<b>200,000,000</b>	<b>2,000</b>
At beginning of period	–	–	50,000	50	50,000	50
Initial issued share capital – £1 ordinary shares	50,000	50	–	–	–	–
Conversion to 1p ordinary shares	–	–	–	–	4,950,000	–
Shares issued – 1p ordinary shares	–	–	–	–	195,000,000	1,950
<b>At end of period</b>	<b>50,000</b>	<b>50</b>	<b>50,000</b>	<b>50</b>	<b>200,000,000</b>	<b>2,000</b>

## 18. SHARE PREMIUM

The share premium relates to amounts subscribed for share capital in excess of nominal value:

	28 Feb 2013 £'000	31 Oct 2013 £'000	31 May 2014 £'000
Balance at beginning of period	–	–	–
Share premium on Ordinary Shares issued	–	–	198,000
Share issue expenses	–	–	(3,894)
<b>Balance at end of period</b>	<b>–</b>	<b>–</b>	<b>194,106</b>

## 19. RETAINED EARNINGS

	28 Feb 2013 £'000	31 Oct 2013 £'000	31 May 2014 £'000
Balance at beginning of period	–	–	–
Retained profit for the period	–	–	12,953
<b>Balance at end of period</b>	<b>–</b>	<b>–</b>	<b>12,953</b>

## 20. NET ASSET VALUE PER SHARE (NAV)

Basic NAV per share amounts are calculated by dividing net assets in the statement of financial position attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic and diluted NAV per share are identical.

Net asset values have been calculated as follows:

	<i>28 Feb 2013 £'000</i>	<i>31 Oct 2013 £'000</i>	<i>31 May 2014 £'000</i>
Net assets per REIT Group Balance Sheet	50	50	209,059
EPRA NAV	50	50	209,059
Ordinary Shares:			
Issued share capital	50	50	200,000
Basic net asset value per Share	100p	100p	104.53p
EPRA NAV per Share	100p	100p	104.53p

EPRA NAV is calculated as Balance Sheet net assets including the valuation result on trading properties but excluding fair value adjustments for debt and related derivatives.

## 21. OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases receivable by the REIT Group are as follows:

	<i>Less than one year £000s</i>	<i>1-5 years £000s</i>	<i>More than 5 years £000s</i>	<i>Total £000s</i>
28 Feb 2013	—	—	—	—
31 Oct 2013	—	—	—	—
31 May 2014	11,570	46,281	112,824	170,675

## 22. TRANSACTIONS WITH RELATED PARTIES

The financial information include the financial information of the REIT Group and subsidiaries. The REIT Group's investments in subsidiaries are listed in table in Note 13.

The Directors who served during the period received the following fees:

	<i>For the period 14 September 2012 to 28 February 2013 £'000</i>	<i>For the period 1 March 2013 to 31 October 2013 £'000</i>	<i>For the period 1 November 2013 to 31 May 2014 £'000</i>
R Jewson	—	—	33
J Prower	—	—	19
S Smith	—	—	16

The interests of the Directors in the share capital of the Company (all of which are beneficial unless otherwise stated) and any interest of a person connected with a Director (within the meaning of the Disclosure and Transparency Rules) are shown below:

	28 February 2013 No.	31 October 2013 No.	31 May 2014 No.
R Jewson	—	—	30,000
M Shaw	—	—	134,215
J Prower	—	—	—
S Smith	—	—	—

## 23. FINANCIAL RISK MANAGEMENT

### *Financial instruments*

The REIT Group's principal financial assets and liabilities are those which arise directly from its operations: trade and other receivables, trade and other payables and cash and cash equivalents.

The REIT Group's investment properties are not classified as financial instruments and risk management associated with those assets is not detailed in this note.

Set out below is a comparison by class of the carrying amounts and fair value of the REIT Group's financial instruments that are carried in the financial information:

	Book value 28 Feb 2013 £'000	Fair value 28 Feb 2013 £'000	Book value 31 Oct 2013 £000	Fair value 31 Oct 2013 £000	Book value 31 May 2014 £000	Fair value 31 May 2014 £000
<b>Financial assets</b>						
Trade and other receivables	—	—	—	—	185	185
Cash and short-term deposits	—	—	—	—	10,520	10,520
<b>Financial liabilities</b>						
Trade and other payables	—	—	—	—	(1,093)	(1,093)

### *Risk management*

The REIT Group is exposed to market risk (including interest rate risk), credit risk and liquidity risk.

The Board of Directors oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

#### (a) Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the REIT Group that are affected by market risk are principally the REIT Group's bank balances.

Since the period end the REIT Group has entered into a number of interest rate cap agreements.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The REIT Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions. Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement.

Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

(c) Tenant receivables

Tenant receivables, primarily tenant rentals, are presented in the balance sheet net of allowances for doubtful receivables and are monitored on a case by case basis. Credit risk is primary managed by requiring tenants to pay rentals in advance and performing tests around strength of covenant prior to acquisition. There are no trade receivables past due as at the period end.

(d) Credit risk related to financial instruments and cash deposits

One of the principal credit risks of the REIT Group arises with the banks and financial institutions. The Board of Directors believes that the credit risk on short term deposits and current account cash balances are limited because the counterparties are banks, who are committed lenders to the REIT Group, with high credit ratings assigned by international credit-rating agencies.

*Liquidity risk*

Liquidity risk arises from the REIT Group's management of working capital and going forward, the finance charges and principal repayments on its borrowings. It is the risk that the REIT Group will encounter difficulty in meeting its financial obligations as they fall due as the majority of the REIT Group's assets are property investments and are therefore not readily realisable. The REIT Group's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management.

The table below summarises the maturity profile of the REIT Group's financial liabilities based on contractual undiscounted payments:

	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
<b>28 Feb 2013</b>						
Trade and other payables	–	–	–	–	–	–
	–	–	–	–	–	–
<b>31 Oct 2013</b>						
Trade and other payables	–	–	–	–	–	–
	–	–	–	–	–	–
<b>31 May 2014</b>						
Trade and other payables	–	1,093	–	–	–	1,093
	–	1,093	–	–	–	1,093

## **24. CAPITAL MANAGEMENT**

The primary objectives of the REIT Group's capital management is to ensure that it remains a going concern and continues to qualify for UK REIT status.

The Board, with the assistance of the Investment Manager, monitors and reviews the REIT Group's capital so as to promote the long-term success of the business, facilitate expansion and to maintain sustainable returns for shareholders.

The REIT Group's policy on borrowings is:

- (a) the level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds, whilst maintaining flexibility in the underlying security requirements, and the structure of both the portfolio and the REIT Group;
- (b) the Directors intend that the REIT Group will maintain a conservative level of aggregate borrowings with a medium term target of 40 per cent. of the REIT Group's gross assets. However, during the initial investment phase post Admission, the REIT Group's target level of aggregate borrowings will be 45 per cent. of the REIT Group's gross assets; and
- (c) debt will be secured at the asset level and potentially at the Company level, depending on the optimal structure for the Company and having consideration to key metrics including lender diversity, debt type and maturity profiles.

## **25. SUBSEQUENT EVENTS**

On 30 May 2014, the REIT Group announced that it had received commitments from institutional investors for 19.98 million new ordinary shares of £0.01 each, representing approximately 9.99 per cent of the REIT Group's existing issued share capital. The Admission became effective on 4 June 2014.

Further to the REIT Group's announcement on 10 April 2014 regarding the agreement signed with Barclays Bank PLC to provide £23.5 million of senior debt financing to the asset. The loan was fully drawn on 6 June 2014 and secured against the Sainsbury's distribution centre in Sherburn-in-Elmet. This reflected a loan to value of approximately 48%.

On 4 June 2014 the REIT Group announced that further to the acquisitions of the Marks & Spencer East Midlands Distribution Centre at Castle Donington, Leicestershire announced on 13 December 2013 and the Tesco Distribution Centre at Southmead Industrial Estate, Didcot announced on 4 April 2014, it had signed agreements with Barclays Bank PLC to provide £49.3 million and £12.2 million respectively of senior debt financing secured individually on the assets. These reflect loan to value ratios of approximately 59% and 45% respectively.

On 11 June 2014, the REIT Group announced that it had exchanged contracts for the acquisition of Next Group Plc's Regional Distribution Warehouse facility at West Moor Park, Doncaster for a purchase price of £60 million (net of acquisition costs), reflecting a net initial yield of 6.07% on the acquisition. The REIT Group also announced that it had signed an agreement with Barclays Bank PLC to provide £16.4 million of senior debt financing secured on the asset. This reflects a loan to value ratio of approximately 27%.

On 18 June 2014, the Group announced that it had exchanged contracts for the acquisition of Wm Morrison Supermarkets plc South East Regional Distribution Centre at Sittingbourne, Kent for a purchase price of £97.8 million (net of acquisition costs),

reflecting a net initial yield of 5.2% on the acquisition. The Group also announced that it had signed an agreement with Barclays Bank PLC to provide £65.3 million of senior debt financing secured on the asset. This reflects a loan to value ratio of approximately 55 per cent.

On 18 June 2014, the Group announced that it is considering raising additional equity share capital through a placing, open offer and offer for subscription with a target fundraising size of £150 million, expected to close in July. As referred to in the Company's IPO prospectus, the Company also intends, at the same time, to transfer its listing from the Specialist Fund Market to the premium listing segment of the Official List of the UK Financial Conduct Authority.



## **PART 7**

### **UNAUDITED PRO FORMA FINANCIAL INFORMATION**

#### **SECTION A**

##### **UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REIT GROUP**

###### **Overview**

Part 1 of Section A of this Part 7 is an unaudited pro forma statement of net assets as at 31 May 2014 that has been prepared to illustrate the effect on the net assets of the REIT Group as if the follow-on placing, bank financing and the acquisitions of Next Big Box and Morrisons Big Box had all taken place on 31 May 2014.

Part 2 of Section A of this Part 7 is an unaudited pro forma statement of comprehensive income for the period 1 November 2013 to 31 May 2014, that has been prepared to illustrate the effect on the consolidated statement of comprehensive income of the REIT Group as if the acquisitions of Baljean, Sherburn, Tesco Chesterfield Big Box, Sonoma, Next Big Box and Morrisons Big Box and the related bank financing and the Placing had all taken place on 1 November 2013.

Section B of this Part 7 sets out the opinion from BDO on the unaudited pro forma financial information contained in Section A.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the REIT Group's actual financial position or results.

The pro forma financial information is based on the financial information of the REIT Group for the period 1 November 2013 to 31 May 2014, set out in Section B of Part 6 of this document, and has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information and on the basis set out in the notes below, which form an integral part of the *pro forma* financial information.

## Part 1 – Unaudited pro forma statement of net assets of the REIT Group

		Adjustments		
	The REIT Group as at 31 May 2014 (note 1) £'000	Follow-on placing and bank financing (note 2) £'000	Acquisitions of Next Big Box and Morrisons Big Box (note 3) £'000	Pro forma net assets of the REIT Group as at 31 May 2014 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investment property	200,100	–	157,800	357,900
	<u>200,100</u>	<u>–</u>	<u>157,800</u>	<u>357,900</u>
<b>Current assets</b>				
Trade and other receivables	348	–	19,560	19,908
Derivative financial assets	–	1,953	1,670	3,623
Called up share capital not paid	–	–	–	–
Cash and cash equivalents	10,520	102,250	(106,721)	6,049
	<u>10,868</u>	<u>104,203</u>	<u>(85,491)</u>	<u>29,580</u>
<b>Total assets</b>	<b><u>210,968</u></b>	<b><u>104,203</u></b>	<b><u>72,309</u></b>	<b><u>387,480</u></b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	–	(83,839)	(69,344)	(153,183)
Derivative financial liabilities	–	–	–	–
	<u>–</u>	<u>(83,839)</u>	<u>(69,344)</u>	<u>(153,183)</u>
<b>Current liabilities</b>				
Loans and borrowing	–	–	(11,500)	(11,500)
Trade and other payables	(1,093)	–	–	(1,093)
Deferred rental income	(816)	–	–	(816)
	<u>(1,909)</u>	<u>–</u>	<u>(11,500)</u>	<u>(13,409)</u>
<b>Total liabilities</b>	<b><u>(1,909)</u></b>	<b><u>(83,839)</u></b>	<b><u>(80,844)</u></b>	<b><u>(166,592)</u></b>
<b>Net assets</b>	<b><u>209,059</u></b>	<b><u>20,364</u></b>	<b><u>(8,535)</u></b>	<b><u>220,888</u></b>

### Notes to the unaudited pro forma statement of net assets of the Group:

- The net assets of the REIT Group at 31 May 2014 have been extracted without material adjustment from the financial information on the REIT Group for the period ended 31 May 2014 set out in Section B of Part 6 of this document.
- In June 2014, the Company raised additional funds in order to undertake the acquisitions of Next Big Box and Morrisons Big Box. These encompassed:
  - A follow-on placing on 4 June 2014 which raised net proceeds of £20.4 million (comprising gross proceeds £20.8 million, as described in Section 1 of Part 1 of this document, net of expenses of £0.4 million), which has been included in the pro forma as an adjustment to Cash and cash equivalents.

- b. The arrangement of bank facilities in June 2014, secured on properties acquired, prior to 31 May 2014, comprising:

- £23.5 million under the Sainsbury's Facility Agreement, as described in section 12.4 of Part 9 of this document;
- £49.3 million under the Baljean Facility Agreement, as described in section 12.6 of Part 9 of this document;
- £12.2 million under the Sonoma Facility Agreement, as described in section 12.8 of Part 9 of this document;
- loan arrangement costs of £1.2 million; and
- arrangement costs for an interest rate swap on the above borrowings of £2.0 million.

The amounts drawn under the facility agreements, net of loan arrangement costs, have been reflected as Loans and borrowings, with a corresponding increase in Cash and cash equivalents. The costs of the interest rate swap agreements have been reflected as Derivative financial assets, with a corresponding reduction in Cash and cash equivalents.

Amounts drawn on facilities secured on the Next Big Box and Morrisons Big Box acquisitions and related interest rate swap agreements are reflected within adjustment 3 below.

3. The table below shows an analysis of the adjustments made to the pro forma in respect of the acquisitions of Morrisons Big Box and Next Big Box:

	<b>Morrisons Big Box (note i) £'000</b>	<b>Next Big Box (note ii) £'000</b>	<b>Total £'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	97,800	60,000	157,800
	<u>97,800</u>	<u>60,000</u>	<u>157,800</u>
<b>Current assets</b>			
Trade and other receivables	19,560	–	19,560
Derivative financial asset	1,380	290	1,670
Called up share capital not paid	–	–	–
Cash and cash equivalents	(59,708)	(47,013)	(106,721)
	<u>(38,768)</u>	<u>(46,723)</u>	<u>(85,491)</u>
<b>Total assets</b>	<b><u>59,032</u></b>	<b><u>13,277</u></b>	<b><u>72,309</u></b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	(53,136)	(16,208)	(69,344)
Derivative financial liabilities	–	–	–
	<u>(53,136)</u>	<u>(16,208)</u>	<u>(69,344)</u>

	<b>Morrisons Big Box (note i) £'000</b>	<b>Next Big Box (note ii) £'000</b>	<b>Total  £'000</b>
<b>Current liabilities</b>			
Loans and borrowings	(11,500)	–	(11,500)
Trade and other payables	–	–	–
Deferred rental income	–	–	–
	<u>(11,500)</u>	<u>–</u>	<u>(11,500)</u>
<b>Total liabilities</b>	<b><u>(64,636)</u></b>	<b><u>(16,208)</u></b>	<b><u>(80,844)</u></b>
<b>Net assets</b>	<b><u>(5,604)</u></b>	<b><u>(2,931)</u></b>	<b><u>(8,535)</u></b>

- i. The acquisition of Morrisons Big Box occurred on 24 June 2014 for consideration of £97.8 million, as disclosed in section 12.10 of Part 9 of this document. In addition, VAT of £19.6 million and associated acquisition costs of £5.6 million were incurred. The VAT paid is considered to be recoverable and has therefore been recognised within Trade and other receivables; the associated acquisition costs of £5.6 million have been recognised as an Impairment of investment properties in the Statement of comprehensive income.

These costs were partially settled from draw down of the Morrisons Facility Agreement of £65.3 million, £11.5 million of which represents a short term facility, as disclosed in section 12.10 of Part 9 of this document. The balance of the consideration of £57.7 million was funded from Cash and cash equivalents. Loan arrangement fees of £0.6 million have been netted off against Loans and borrowings, with a corresponding reduction in Cash and cash equivalents. In addition, arrangement costs for a related interest rate swap totalling £1.4 million were incurred, which have been reflected as Derivative financial assets, with a corresponding reduction in Cash and cash equivalents.

- ii. The acquisition of Next Big Box occurred on 17 June 2014 for consideration of £60.0 million, as disclosed in section 12.12 of Part 9 of this document. In addition, associated acquisition costs of £2.9 million were incurred, which have been have been recognised as an Impairment of investment properties in the Statement of comprehensive income.

These costs were partially settled from draw down of the Next Facility Agreement of £16.4 million, as disclosed in section 12.12 of Part 9 of this document. The balance of the consideration of £46.5 million was funded from Cash and cash equivalents. Loan arrangement fees of £0.2 million have been netted off against Loans and borrowings and reflected as a decrease in Cash and cash equivalents. In addition, arrangement costs for a related interest rate swap totalling £0.3 million were incurred, which have been reflected as Derivative financial assets, with a corresponding reduction in Cash and cash equivalents.

4. No account has been taken of the financial performance of the REIT Group subsequent to 31 May 2014, of the financial performance of Next Big Box or Morrisons Big Box subsequent to their dates of acquisition, or of any other event save as disclosed above.

**Part 2 – Unaudited pro forma statement of comprehensive income of the REIT Group**

		<u>Adjustments</u>	
	Comprehensive income for the REIT Group for the period 1 November 2013 to 31 May 2014 (note 1) £'000	Comprehensive income for acquired assets and businesses and related bank financing (note 2) £'000	REIT Group pro forma comprehensive income for the period 1 November 2013 to 31 May 2014 £'000
Gross rental income & service charge income	4,506	8,212	12,718
Property expenses	(106)	(230)	(336)
<b>Net rental income</b>	<b>4,400</b>	<b>7,982</b>	<b>12,382</b>
Administrative and other expenses	(1,237)	(474)	(1,711)
<b>Operating profit before result on property portfolio</b>	<b>3,163</b>	<b>7,508</b>	<b>10,671</b>
Changes in fair value of investment properties	9,761	–	9,761
Impairment of investment properties	–	(8,535)	(8,535)
<b>Operating profit</b>	<b>12,924</b>	<b>(1,027)</b>	<b>11,897</b>
Finance income	29	–	29
Finance expense	–	(2,423)	(2,423)
<b>Net finance (costs)/income</b>	<b>29</b>	<b>(2,423)</b>	<b>(2,394)</b>
<b>Profit before taxation</b>	<b>12,953</b>	<b>(3,450)</b>	<b>9,503</b>
Tax credit/(charge) on profit for the period	–	–	–
<b>Profit for the period (attributable to equity shareholders)</b>	<b>12,953</b>	<b>(3,450)</b>	<b>9,503</b>
Other comprehensive income/(expense)	–	–	–
<b>Total comprehensive income (attributable to the shareholders)</b>	<b>12,953</b>	<b>(3,450)</b>	<b>9,503</b>

## Notes to the unaudited pro forma statement of comprehensive income of the REIT Group:

1. The consolidated comprehensive income of the REIT Group for the period 1 November 2013 to 31 May 2014 has been extracted without material adjustment from the financial information on the REIT Group for the period ended 31 May 2014 set out in Section B of Part 6 of this document.
2. The table below shows an analysis of the adjustments made to the pro forma statement of comprehensive income to reflect the acquisitions of Baljean (which includes the M&S Big Box), Sherburn (which includes the Sainsbury's Big Box), Tesco Chesterfield Big Box, Sonoma (which includes the Tesco Didcot Big Box), Morrisons Big Box and Next Big Box, and the associated financing thereof, as if they had all occurred on 1 November 2013:

	Baljean £'000	Sherburn £'000	Tesco Chesterfield Big Box £'000	Sonoma £'000	Morrisons Big Box £'000	Next Big Box £'000	Total £'000
Gross rental income & service charge income	582	378	747	983	3,219	2,303	8,212
Property expenses	(10)	(17)	(2)	(41)	(86)	(74)	(230)
<b>Net rental income</b>	<b>572</b>	<b>361</b>	<b>745</b>	<b>942</b>	<b>3,133</b>	<b>2,229</b>	<b>7,982</b>
Administrative and other expenses	147	64	(113)	(52)	(266)	(254)	(474)
<b>Operating profit before result on property portfolio</b>	<b>719</b>	<b>425</b>	<b>632</b>	<b>890</b>	<b>2,867</b>	<b>1,975</b>	<b>7,508</b>
Changes in fair value of investment properties	–	–	–	–	–	–	–
Impairment of investment properties	–	–	–	–	(5,604)	(2,931)	(8,535)
<b>Operating profit</b>	<b>719</b>	<b>425</b>	<b>632</b>	<b>890</b>	<b>(2,737)</b>	<b>(956)</b>	<b>(1,027)</b>
Finance income	–	–	–	–	–	–	–
Finance expense	(786)	(359)	–	(201)	(829)	(248)	(2,423)
<b>Net finance costs</b>	<b>(786)</b>	<b>(359)</b>	<b>–</b>	<b>(201)</b>	<b>(829)</b>	<b>(248)</b>	<b>(2,423)</b>
<b>Profit before taxation</b>	<b>(67)</b>	<b>66</b>	<b>632</b>	<b>689</b>	<b>(3,566)</b>	<b>(1,204)</b>	<b>(3,450)</b>
Tax credit/(charge) on profit for the period	–	–	–	–	–	–	–
<b>Profit for the period (attributable to equity shareholders)</b>	<b>(67)</b>	<b>66</b>	<b>632</b>	<b>689</b>	<b>(3,566)</b>	<b>(1,204)</b>	<b>(3,450)</b>
Other comprehensive income/(expense)	–	–	–	–	–	–	–
<b>Total comprehensive income (attributable to the shareholders)</b>	<b>(67)</b>	<b>66</b>	<b>632</b>	<b>689</b>	<b>(3,566)</b>	<b>(1,204)</b>	<b>(3,450)</b>

The adjustment above includes the comprehensive income of each of the businesses and assets acquired for the period from 1 November 2013 to the earlier of: (i) the date of their acquisition, and (ii) 31 May 2014. The comprehensive income for these periods has been calculated as follows:

- i. Rental income is based on actual annual rent for each asset, pro-rated for the relevant period in order to reflect the total rental income that would have been receivable had



the assets been acquired on 1 November 2013. Gross rental income also includes recoverable service charges and insurance premium.

- ii. Direct property costs are based on actual expenditure for each asset, pro-rated for the relevant period in order to reflect the total expense that would have been payable had the assets been acquired on 1 November 2013.
- iii. Administrative costs reflect the additional Investment Management fee that would have been payable if all the assets had been acquired on 1 November 2013.
- iv. As noted in Part 1, the acquisition costs, other than consideration paid, which were incurred in respect of the acquisitions of the Morrisons Big Box and the Next Big Box have been recognised as an Impairment of investment properties.
- v. Interest costs on the net debt have been calculated as if all loans had been drawn down on 1 November 2013. This cost is included in finance expense, which also includes the appropriate proportion of the amortisation of loan arrangement fees, which are amortised over the term of the loan.

This adjustment is recurring.

- 3. No account has been taken of any trading or transactions of the REIT Group subsequent to 31 May 2014, or of any other event, save as disclosed above.

## SECTION B

### REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



BDO LLP  
55 Baker Street  
London  
W1U 7EU

8 July 2014

The Directors  
Tritax Big Box REIT Plc  
17-18 Old Bond Street  
London  
W1S 4PT

Jefferies International Limited  
Vintners Place  
68 Upper Thames Street  
London  
EC4V 3BJ

Dear Sirs

**Tritax Big Box REIT Plc (the “Company”) and its subsidiaries (together, the “REIT Group”)**

#### **Pro forma financial information**

We report on the unaudited pro forma information (the “**Pro Forma Financial Information**”) set out in Section A of Part 7 of the registration document dated 8 July 2014 (the “**Registration Document**”) which has been prepared on the basis described, for illustrative purposes only, to provide information about how the acquisitions of Baljean, Sherburn, Tesco Chesterfield Big Box, Sonoma, Next Big Box and Morrisons Big Box, the follow-on placing and the bank financing might have affected the financial information presented on the basis of accounting policies adopted by the Company in preparing the financial statements for the period ended 31 May 2014.

This report is required by item 20.2 of Annex I of the Commission Regulation (EC) No. 809/2004 (the “**PD Regulation**”) and is given for the purpose of complying with that item and for no other purpose.

#### **Responsibilities**

It is the responsibility of the directors of the Company (the “**Directors**”) to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the PD Regulation.

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

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such

other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I of the PD Regulation consenting to its inclusion in the Registration Document.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of opinion**

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

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion:

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

### **Declaration**

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

Yours faithfully

BDO LLP  
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## PART 8

### VALUATION REPORT

<b>Report Date</b>	8 July 2014
<b>Addressees</b>	<p>The Directors Tritax Big Box REIT plc Aberdeen House South Road Haywards Heath West Sussex RH16 4NG (the “<b>REIT</b>”)</p> <p>For the attention of: Colin Godfrey</p> <p>Akur Ltd 23 Bruton St Mayfair London W1J 6QF</p> <p>For the attention of: Anthony Richardson</p> <p>Jefferies International Ltd Vintners Place 68 Upper Thames St London EC4V 3BJ</p> <p>For the attention of: Gary Gould</p> <p>Together, the “<b>Addressees</b>”</p>
<b>The Properties</b>	Six ‘Big Box’ Distribution Units as per the attached Schedule of Capital Values (the “ <b>Properties</b> ”)
<b>Instruction</b>	We are instructed to report to you our opinion as to the value of the Properties as at the Valuation Date for use in connection with the registration document to be issued by the Company on or around the date of this report (the “ <b>Registration Document</b> ”).
<b>Valuation Date</b>	30 June 2014
<b>Capacity of Valuer</b>	External.
<b>Market Value</b>	<p>£360,740,000 (POUNDS) exclusive of VAT, as shown in the Schedule of Capital Values attached.</p> <p>We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.</p> <p>Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily</p>

	<p>derived using comparable recent market transactions on arm's length terms.</p> <p>We confirm that <b>"Market Value"</b>, the term replacing "Open Market Value", produces the same figure as "Open Market Value".</p>
<b>Compliance with Valuation Standards</b>	<p>The valuations have been prepared in accordance with the RICS Valuation – Professional Standards January 2014 (the <b>"Red Book"</b>).</p> <p>We confirm that we have sufficient current local and national knowledge of the particular property markets involved, and have the skills and understanding to undertake the valuations competently.</p> <p>Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE Ltd, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.</p>
<b>Assumptions</b>	<p>The property details on which each valuation is based are as set out in this report. Where we have made assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination these are set out below.</p> <p>If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.</p>
<b>Variation from standard Assumptions</b>	None.
<b>Valuer</b>	The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book.
<b>Independence</b>	The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressees (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.
<b>Conflicts of Interest</b>	<p>We confirm that we have valued the properties on acquisition by the REIT and are retained until 31 December 2016 to perform six monthly valuations on the REIT's assets during that period for accounting purposes.</p> <p>We have disclosed the relevant facts to the Addressees, and have received written confirmation that it is in order for us to carry out your valuation instruction.</p>

## **Reliance and Responsibility**

This report has been produced for inclusion in the Registration Document and may not be reproduced or used in connection with any other purposes without our prior consent.

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

For the purposes of Prospectus Rule 5.5.3R(2)(f), CBRE Limited accepts responsibility for the information within this report and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Registration Document in compliance with Annex I item 1.2 of the Prospectus Directive Regulations.

## **Publication**

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

CBRE has given and not withdrawn its written consent to the inclusion of this report in the Registration Document.

Yours faithfully

Nick Knight  
Executive Director  
RICS Registered Valuer  
For and on behalf of CBRE Ltd

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Project Reference: TBC  
Report Version: Normal.dotm



## Tritax Big Box REIT Portfolio

Address	Tenant	Description	Passing Rent pa £	Market Value £
<b>East Midlands Distribution Centre</b>  <b>Unit 2, Arundel Avenue, Castle Donington, DE74 2HL</b>	Marks and Spencer Plc	<p>Comprises a distribution warehouse of 906,240 sq. ft., fully let to Marks and Spencer Plc on a FRI lease expiring in 22 years with no option to break. The lease grants five yearly, upwards only rent reviews to Market Rent of no less than 1.50 per cent. and no more than 2.50 per cent. compounded annually. The passing rent includes a top up element of £127,672 pa until 2016.</p> <p>The property is of high quality, steel frame construction, with eaves of 25m. It is cross-docked with 132 loading bays, all of which are double height. Vehicles have 360 degree access around the unit. The site also benefits from a dedicated rail freight terminal and a density of 41 per cent.</p> <p>The tenant uses the Property as their regional distribution centre for their e-commerce operation and for the distribution of general merchandise to their store network.</p> <p>The property is held Freehold.</p>	£4,351,723  (£4.80 psf)	£88,500,000

<b>Address</b>	<b>Tenant</b>	<b>Description</b>	<b>Passing Rent pa £</b>	<b>Market Value £</b>
<b>Bishopdyke Road, Sherburn- in-Elmet LS25 6JH</b>	Sainsburys Supermarkets Ltd	<p>Comprises a distribution warehouse of 570,800 sq ft, fully let to Sainsburys Supermarkets Ltd (with an Authorised Guarantee Agreement to Somerfield Stores Ltd) on a FRI lease expiring in 12 years with no option to break. The lease grants five yearly, upwards only rent reviews to Market Rent assuming a unit of 572,135 sq. ft. based on the rent achievable by a unit of 100,000 sq. ft.</p> <p>The property is of high quality, steel frame construction, with eaves of 13.2m. It is subdivided into four sections, three of which are fitted as cold stores.</p> <p>It is cross-docked with 124 loading bays. Vehicles have 360 degree access around the unit. Site density is 29 per cent.</p> <p>The tenant operates their food distribution business from the unit, with the facility offering the flexibility to store, pick and transport a variety of goods that can be held at a variety of temperatures.</p> <p>The property is held Freehold.</p>	£3,295,716  (£5.76 psf)	£53,250,000
<b>Gander Lane, Chesterfield S43 4PZ</b>	Tesco Stores Ltd	<p>Comprises a distribution warehouse of 501,751 sq. ft., fully let to Tesco Stores Ltd on a FRI lease expiring in 6 years with no option to break. The lease grants five yearly, upwards only rent reviews to Market Rent.</p> <p>The property is of steel frame construction, with eaves of 15m. It is cross-docked with 52 loading bays. Vehicles have 360 degree access around the unit. Site density is 46 per cent.</p> <p>The tenant consolidated their regional, non-food distribution business to the unit in the last 12 months. It distributes to other warehouses only.</p> <p>The property is held Freehold.</p>	£1,999,804  (£4.00 psf)	£30,490,000

<b>Address</b>	<b>Tenant</b>	<b>Description</b>	<b>Passing Rent pa £</b>	<b>Market Value £</b>
<b>Southmead Industrial Estate, Didcot OX11 7PN</b>	Tesco Distribution Ltd (Tesco Plc as Guarantor)	<p>Comprises a distribution warehouse of 288,259 sq. ft., fully let to Tesco Distribution Ltd (Tesco Plc as Guarantor) on a FRI lease expiring in 10 years with no option to break. The lease grants five yearly, upwards only rent reviews to Market Rent based on a 50,000 sq. ft. unit then multiplied up to 325,000 sq. ft.</p> <p>The property is of steel frame construction, with eaves of 8m and has been fully fitted out as a cold store. It is cross-docked with 67 loading bays, 6 of which are double height. Vehicles have 360 degree access around the unit. Site density is 46 per cent. but reduces to 35 per cent. when the adjoining land-locked, Tesco owned and operated land is included.</p> <p>The tenant operates their same-day 'Fresh' food business from the unit, whereby fresh produce arrives in the unit, is picked and re-distributed to stores on the same day. The Property is well established in its location, with the next nearest 'Fresh' Tesco distribution hubs being in Southampton and Peterborough.</p> <p>The property is held Freehold.</p>	£1,920,000  (£6.65 psf)	£29,300,000

Address	Tenant	Description	Passing Rent pa £	Market Value £
<b>West Moor Park, Doncaster DN3 3FB</b>	Next Group Plc	<p>Comprises a distribution warehouse of 755,602 sq. ft., fully let to Next Group Plc on a FRI lease expiring in 9 years with no option to break. The lease grants five yearly, upwards only rent reviews to Market Rent.</p> <p>The property is of steel frame construction, with eaves of 17.5m. The tenant has significantly upgraded one of the bays to provide a fully automatic system for processing stock. It is cross-docked with 39 loading bays. Vehicles have 360 degree access around the unit. Site density is 44 per cent.</p> <p>The tenant operates their national furniture home delivery business from the unit, delivering on-line furniture orders across the UK from the hub.</p> <p>The property is held Freehold.</p>	£3,854,857 (£5.10 psf)	£60,700,000
<b>Freehold Property Total</b>			£15,422,100	£262,240,000
<b>South East Regional Distribution Centre, G-Park, Sittingbourne ME10 2FD</b>	Wm Morrison Supermarkets Plc	<p>Comprises two distribution warehouses totalling 919,443 sq. ft., fully let on a single lease to Wm Morrison Supermarkets Plc on a FRI lease expiring in 25 years with no option to break. The lease grants yearly, upwards only rent reviews to RPI of no more than 2.00 per cent. per annum.</p> <p>Each unit is of steel frame construction, arranged as a 562,270 sq. ft. ambient warehouse and 357,173 sq. ft. cold store. Both units have 12m eaves and share a central yard area. Both are crossdocked with a total of 42 loading bays. Vehicles have 360 degree access around both units. Site Density is 42 per cent.</p> <p>The tenant operates their store distribution business from the unit, delivering produce to stores across London and the South East.</p> <p>The property is held on a 999 year long leasehold at a fixed rent of £10 (TEN POUNDS) pa.</p>	£5,419,574 (£5.90 psf)	£98,500,000

Address	Tenant	Description	Passing Rent pa £	Market Value £
<b>Leasehold</b>			£5,419,574	£98,500,000
<b>Property Total</b>				
<b>Portfolio Total</b>			£20,842,074	£360,740,000

#### **Variation from 31 May 2014**

The valuation of the Portfolio for the REIT, included in the REIT's interim financial statements for the period ended 31 May 2014 was £200,100,000. Between 31 May 2014 and 30 June 2014, being the valuation date of this report, the REIT has acquired two additional properties, namely Doncaster and Sittingbourne. In addition to the acquisitions, the wider property market has continued to improve with increased sentiment in all asset classes. The Investment Property Databank, which provides benchmarking performance analysis of the property market, demonstrates this showing monthly capital growth in the sector and across all property.

## **Scope of Work & Sources of Information**

<b>Sources of Information</b>	We have carried out our work based upon information supplied to us by advisors to the REIT, and from time-to-time by Tritax Management LLP, as set out within this report, which we have assumed to be correct and comprehensive.
<b>The Properties</b>	Our report contains a brief summary of the property details on which our valuation has been based.
<b>Inspections</b>	As instructed, we have not inspected the properties for the purpose of this revaluation. All properties were inspected prior to the REIT's acquisition between November 2013 and June 2014. A schedule of most recent inspection dates is maintained within our working papers and can be made available if required.
<b>Areas</b>	We have not measured the Properties but have relied upon the floor areas provided. Check measurements were undertaken during the initial purchase inspections.
<b>Environmental Matters</b>	<p>At the point of initial purchase by the REIT we were provided with Environmental Reports which are maintained within our working papers and can be made available if required. We have had regard to these in forming our opinion of value for this report.</p> <p>However for the purpose of this report we have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.</p> <p>We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.</p>
<b>Repair and Condition</b>	<p>At the point of initial purchase by the REIT we were provided with Structural Reports which are maintained within our working papers and can be made available if required. We have had regard to these in forming our opinion of value for this report.</p> <p>However for the purpose of this report we have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.</p>



**Town Planning**

For the purpose of this report we have not undertaken planning enquiries in addition to the enquiries made at the point of acquisition of each asset.

**Titles, Tenures and Lettings**

At the point of initial purchase by the REIT we were provided with Title Reports which are maintained within our working papers and can be made available if required. We have had regard to these in forming our opinion of value for this report.

For the purpose of this report, details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

## **Valuation Assumptions**

### **Capital Values**

Each valuation has been prepared on the basis of “**Market Value**”, which is defined as:

“The estimated amount for which an asset or liability should exchange on the date of valuation 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.”

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation – nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

### **Rental Values**

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent.

### **The Property**

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord’s fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Process plant and machinery, tenants’ fixtures and specialist trade fittings have been excluded from our valuations.

All measurements, areas and ages quoted in our report are approximate.

### **Environmental Matters**

In the absence of any information to the contrary, we have assumed that:

- (a) the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law;
- (b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities.

- (c) the properties possess current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive, and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that the Energy Act 2011 is due to come into force in England and Wales no later than 1 April 2018 (although it may be earlier), and in Scotland, no earlier than April 2015. From such date, it will be unlawful for landlords to rent out a residential or business premise unless they have reached a minimum energy efficient standard – most likely, 'E' – or carried out the maximum package of measures funded under the 'Green Deal' or the Energy Company Obligation (ECO).
- (d) the properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. 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 property. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

## **Repair and Condition**

In the absence of any information to the contrary, we have assumed that:

- (a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- (b) the Properties are free from rot, infestation, structural or latent defect;
- (c) no currently known deleterious or hazardous materials or suspect techniques have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- (d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Title, Tenure, Lettings,  
Planning, Taxation and  
Statutory & Local Authority  
requirements**

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- (a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
- (b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;
- (c) the Properties are not adversely affected by town planning or road proposals;
- (d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;
- (e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the Disability Discrimination Act 1995;
- (f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- (g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- (h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
- (i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- (j) where more than 50 per cent. of the floor space of a property is in residential use, the Landlord and Tenant Act 1987 (the "**Act**") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the property. Where this is applicable, we have assumed 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/head leasehold interest. Disposal on the open market is therefore unrestricted;
- (k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;

- (l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
- (m) Stamp Duty Land Tax ("**SDLT**") will apply at the rate currently applicable in the UK. However, we would draw your attention to the fact that in Scotland, SDLT will be replaced by a Land and Buildings Transaction Tax ("**LABTT**") with effect from 1 April 2015. In advance of the rates and tax bands being set for LABTT, we have assumed that they will be the same as for SDLT.

## **PART 9**

### **ADDITIONAL INFORMATION**

#### **1. RESPONSIBILITY**

- 1.1 The Company and each of the Directors, whose names and functions appear on page 14 of this Registration Document, accept responsibility, both individually and collectively, for the information contained in this Registration Document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Manager accepts responsibility for the Manager's Statements. To the best of the knowledge and belief of the Manager (who has taken all reasonable care to ensure that such is the case), such Manager's Statements are in accordance with the facts and do not omit anything likely to affect the import of such information.

#### **2. THE COMPANY**

- 2.1 The Company was incorporated and registered in the England and Wales on 14 September 2012 as a public company limited by shares under the Companies Act with the name "Tritax Income Real Estate Investment Trust plc" and registration number 8215888.
- 2.2 The Company changed its name to "Tritax REIT plc" on 27 September 2012 and to its current name, "Tritax Big Box REIT plc", on 11 October 2013.
- 2.3 The principal place of business and the registered office of the Company is Aberdeen House, South Road, Haywards Heath, West Sussex RH16 4NG and its telephone number is +44 (0)1444 414125. The Company is domiciled in the United Kingdom.
- 2.4 The principal legislation under which the Company operates and under which Ordinary Shares are issued is the Companies Act. The Company does not require further regulatory authorisation to carry out its business. It is not authorised or regulated by the FCA or an equivalent overseas regulator.
- 2.5 On 25 September 2012, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 2.6 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 833 of the Companies Act.
- 2.7 The Ordinary Shares are admitted to trading on the Specialist Fund Market and listed on CISEA. On Admission, the admission of the Ordinary Shares to trading on the Specialist Fund Market will be cancelled and the Company and the Ordinary Shares will also be de-listed from the Official List of the CISEA as soon as possible thereafter.
- 2.8 As at 7 July 2014 (being the last practicable date prior to publication of this Registration Document), the Company had no employees. Details of the Company's interests in real property are contained in Part 2 of this Registration Document.
- 2.9 BDO LLP has been the only auditor of the Company since its incorporation. BDO LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

- 2.10 The annual report and accounts of the Company will be prepared in accordance with IFRS and EPRA's best practice recommendations.

### 3. THE REIT GROUP

- 3.1 The Company, which is the ultimate holding company of the REIT Group, has the following subsidiaries:

<i>Name</i>	<i>Company number</i>	<i>Place of incorporation</i>	<i>Proportion of ownership interests (%)</i>
Tritax Acquisition 1 Limited (SPV 1)	111687	Jersey	100.0
Tritax Acquisition 2 Limited (SPV 2)	114528	Jersey	100.0
Tritax Acquisition 2 (SPV) Limited (SPV 2 Ltd)	114529	Jersey	100.0
Tritax REIT Acquisition 3 Limited (SPV 3)	8215014	United Kingdom	100.0
Tritax REIT Acquisition 4 Limited (SPV 4)	8214556	United Kingdom	100.0
Tritax REIT Acquisition 5 Limited (SPV 5)	8214551	United Kingdom	100.0
Tritax Acquisition 6 Limited (SPV 6)	115305	Jersey	100.0
Baljean Properties Limited (Baljean)	005393V	Isle of Man	100.0*
Tritax Acquisition 4 Limited (Jersey SPV 4)	115825	Jersey	100.0**
Tritax Acquisition 5 Limited (Jersey SPV 5)	115826	Jersey	100.0***
Sonoma Ventures Limited (Sonoma)	1637663	British Virgin Islands	100.0****

\* Held by SPV 1.

\*\* Held by SPV 4.

\*\*\* Held by SPV 5.

\*\*\*\* Held by SPV 6.

- 3.2 Further information in relation to each of the members of the Tritax Group is set out under the headings below:

(a) *SPV 1 and Baljean*

SPV 1 was incorporated and registered in Jersey on 22 October 2012 under the Companies (Jersey) Law 1991 with registered number 111687.

Baljean was incorporated and registered in the Isle of Man on 20 May 2012 under the Isle of Man Companies Act 2006 with registered number 005393V.

SPV 1 is a wholly owned subsidiary of the Company and the holder 100 ordinary shares of £1.00 each in the capital of Baljean, being the entire issued share capital of Baljean.

Baljean is the owner of M&S Big Box. Further details of M&S Big Box are set out in paragraph 1.2 of Part 2 of this Registration Document.

(b) *SPV 2, SPV 2 Ltd and the Unit Trust*

SPV 2 and SPV 2 Ltd were incorporated and registered in Jersey on 5 December 2013 under the Companies (Jersey) Law 1991 with registered numbers 114528 and 114529, respectively.

The Unit Trust was established in Jersey on 1 February 2011 under the Trusts (Jersey) Law 1984 in accordance with the terms of the Unit Trust Instrument with the name "Ekistics Property 1 Unit Trust". The Unit Trust changed its name to its current name, "Sherburn RDC Unit Trust" on 11 December 2013.



SPV 2 and SPV 2 Ltd are both wholly owned subsidiaries of the Company. SPV 2 Ltd is the beneficial owner of 1,843,988 'A' Units in the Unit Trust and SPV 2 is the beneficial owner of 16,595,496 'B' Units in the Unit Trust.

SPV 2 and SPV 2 Ltd (via their holdings in the Units) beneficially own Sainsbury's Big Box. Further details of Sainsbury's Big Box are set out in paragraph 1.1 of Part 2 of this Registration Document.

(c) *SPV 3*

SPV 3 was incorporated and registered in the United Kingdom on 14 September 2012 under the Companies Act with registered number 8215014.

SPV 3 is a wholly owned subsidiary of the Company and the owner of Tesco Chesterfield Big Box. Further details of Tesco Chesterfield Big Box are set out in paragraph 1.3 of Part 2 of this Registration Document.

(d) *SPV 4 and Jersey SPV 4*

SPV 4 was incorporated and registered in the United Kingdom on 14 September 2012 under the Companies Act with registered number 8214556.

Jersey SPV 4 was incorporated and registered in Jersey on 28 May 2014 under the Companies (Jersey) Law 1991 with registered number 115825.

SPV 4 is a wholly owned subsidiary of the Company and the holder of two ordinary shares of no par value in the capital of Jersey SPV 4, being the entire issued share capital of Jersey SPV 4.

Jersey SPV 4 is the owner of Morrisons Big Box. Further details of Morrisons Big Box are set out in paragraph 1.6 of Part 2 of this Registration Document.

(e) *SPV 5 and Jersey SPV 5*

SPV 5 was incorporated and registered in the United Kingdom on 14 September 2012 under the Companies Act with registered number 8214551.

Jersey SPV 5 was incorporated and registered in Jersey on 28 May 2014 under the Companies (Jersey) Law 1991 with registered number 115826.

SPV 5 is a wholly owned subsidiary of the Company and the holder of two ordinary shares of no par value in the capital of Jersey SPV 5, being the entire issued share capital of Jersey SPV 5.

Jersey SPV 5 is the owner of Next Big Box. Further details of Next Big Box are set out in paragraph 1.5 of Part 2 of this Registration Document.

(f) *SPV 6 and Sonoma*

SPV 6 was incorporated and registered in Jersey on 26 March 2014 under the Companies (Jersey) Law 1991 with registered number 115305.

Sonoma was incorporated and registered in the British Virgin Islands on 16 March 2011 with the registered number 1637663.

SPV 6 is a wholly owned subsidiary of the Company and the holder of 1 ordinary share of USD\$1 in the capital of Sonoma, being the entire issued share capital of Sonoma.

Sonoma is the owner of Tesco Didcot Big Box. Further details of Tesco Didcot Big Box are set out in paragraph 1.4 of Part 2 of this Registration Document.

- 3.3 The Directors intend that further wholly owned special purpose vehicles shall be set up following Admission for any additional properties which may be acquired by the REIT Group (with one special purpose vehicle for each new property that is acquired).

#### 4. SHARE CAPITAL

- 4.1 The Company's share capital as at the date of this Registration Document and as it will be immediately following Admission (assuming gross proceeds of £150 million from the Issue are raised) is as follows:

<i>At the date of this Registration Document</i>		<i>Immediately following Admission</i>	
<i>Number of Ordinary Shares</i>	<i>Aggregate nominal value</i>	<i>Number of Ordinary Shares</i>	<i>Aggregate nominal value</i>
219,980,000	£2,199,800	365,611,068	£3,656,111

- 4.2 The share capital of the Company as of 14 September 2012 (the date of its incorporation) was made up of 50,000 ordinary shares of £1.00 each held by the Manager and Tritax Assets.

- 4.3 The following changes in the share capital of the Company have taken place between 14 September 2012 and the date of this Registration Document:

(a) on 9 December 2013:

- (i) the share capital of the Company was sub-divided from 50,000 ordinary shares of £1.00 each into 5,000,000 Ordinary Shares in accordance with the resolution noted in paragraph 4.4(a) below;
- (ii) the Company issued 200,000,000 Ordinary Shares by way of a placing and offer for subscription at an issue price of 100 pence per Ordinary Share in accordance with the resolutions noted in paragraphs 4.4(b) and 4.4(d) below; and
- (iii) the Company carried out a buy-back of the incorporation shares with a nominal value of £50,000 held by Tritax Assets and the Manager pursuant to a share buy-back agreement dated 18 November 2013 and in accordance with the resolution noted in paragraph 4.4(h) below; and

(b) on 4 June 2014, the Company issued 19,980,000 Ordinary Shares at an issue price of 104 pence per Ordinary Share in accordance with the resolutions noted in paragraphs 4.4(c) and 4.4(e) below.

- 4.4 On 18 November 2013, resolutions of the Company were passed for the following purposes (which were conditional upon the IPO taking place on or before 20 December 2013):

(a) that the share capital of the Company be altered by the sub-division of all the 50,000 ordinary shares of £1.00 each into 5,000,000 Ordinary Shares;

- (b) that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal value of £2,000,000 pursuant to the placing and offer for subscription in connection with the IPO, such authorities to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;
- (c) that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot:
  - (i) shares in the Company and grant rights to subscribe for or to convert any securities into shares in the Company up to a maximum aggregate nominal value of £666,666, or, if less, the nominal value of one-third of the issued share capital of the Company immediately following the IPO; and
  - (ii) equity securities of the Company (within the meaning of section 560 of the Companies Act) up to an aggregate nominal amount which is an amount equal to the aggregate nominal value of £1,333,333 or, if less, the nominal value of two thirds of the issued share capital of the Company immediately following the IPO (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph 4.4(c)(i)) in connection with an offer by way of a rights issue to:
    - (A) the holders of shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of shares held by them; and
    - (B) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;
- (d) that the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution referred to at paragraph 4.4(a), up to an aggregate nominal amount of £2,000,000, as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;
- (e) that the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash:
  - (i) pursuant to the authority conferred by the resolution referred to at paragraph 4.4(c); or

- (ii) where the allotment constitutes an allotment by virtue of section 560(3) of the Companies Act,

in each case as if section 561 of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:

- (A) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph 4.4(c)(ii), such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:
  - (I) the holders of shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of shares held by them; and
  - (II) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (B) the allotment of equity securities, other than pursuant to paragraph 4.4(e)(ii)(A), up to an aggregate nominal amount of £200,000, or, if less, the nominal value of 10 per cent. of the issued share capital of the Company immediately following the IPO,

such power to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;

- (f) that the Company be authorised for the purpose of section 701 of the Companies Act to make market purchases (as defined in section 693(4) of the Companies Act) of shares on such terms and in such manner as the Directors may from time to time determine and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 728 of the Companies Act, provided that:
  - (i) the maximum number of shares authorised to be purchased under the authority is the lower of 29,980,000 or 14.99 per cent. of the number of issued shares following the IPO;
  - (ii) the minimum price (exclusive of expenses) which may be paid for such shares is £0.01 per share, being the nominal amount thereof; and
  - (iii) the maximum price (exclusive of expenses) which may be paid for such shares is an amount equal to the higher of:
    - (A) five per cent. above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and

- (B) the price stipulated by Article 5(1) of the Buyback and Stabilisation Regulations (Commission Regulation (EC) of 22 December 2003),

such authorities to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;

- (g) that the amount standing to the credit of the share premium account of the Company be cancelled; and
- (h) that the terms of a share buy-back agreement under which the Company would become entitled and obliged to purchase from each of Tritax Assets and the Manager shares in the Company with a nominal value of £50,000 be approved and the Company be authorised to enter into such agreement and to fulfill all its obligations under such agreement, such authority to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution.

4.5 On 24 June 2014, resolutions of the Company were passed at the annual general meeting for the following purposes:

- (a) that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot:
  - (i) shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £666,666; and
  - (ii) allot equity securities of the Company (as defined in section 560 of the Companies Act) up to an aggregate nominal amount of £1,333,333 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph 4.5(a)(i)) in connection with an offer by way of a rights issue to:
    - (A) the holders of shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of shares held by them; and
    - (B) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority) and to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;

- (b) that the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash:
  - (i) pursuant to the authority conferred by resolution 4.5(a) above; or

- (ii) where the allotment constitutes an allotment by virtue of section 560(3) of the Companies Act,

in each case as if section 561 of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:

- (A) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph 4.5(a)(ii) above, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:
  - (I) the holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them; and
  - (II) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (B) the allotment of equity securities, other than pursuant to paragraph 4.5(b)(ii)(A), up to an aggregate nominal amount of £200,000,

such power to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;

- (c) that the Company be authorised for the purpose of section 701 of the Companies Act to make market purchases (as defined in section 693(4) of the Companies Act) of shares on such terms and in such manner as the Directors may from time to time determine and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 728 of the Companies Act, provided that:
  - (i) the maximum number of shares authorised to be purchased under the authority is 30,000,000;
  - (ii) the minimum price (exclusive of expenses) which may be paid for such shares is £0.01 per share, being the nominal amount thereof; and
  - (iii) the maximum price (exclusive of expenses) which may be paid for such shares is an amount equal to the higher of:
    - (A) five per cent. above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
    - (B) the price stipulated by Article 5(1) of the Buyback and Stabilisation Regulations (Commission Regulation (EC) of 22 December 2003),



such authorities to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution; and

- (d) that a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

4.6 On 25 July 2014, resolutions of the Company will be considered at the General Meeting for the following purposes (with the resolutions being conditional upon Admission taking place on or before 30 July 2014):

- (a) that, in substitution for all previous authorities, the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal value of £1,456,310.68 pursuant to the Issue, such authority to expire on 31 August 2014 unless renewed at a general meeting prior to such time;
- (b) that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal value of £3,500,000 pursuant to the Share Issuance Programme and for premium management purposes, such authority to expire on 24 November 2015 unless renewed at a general meeting prior to such time;
- (c) that, in substitution for all previous authorities, the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution referred to at paragraph 4.6(a), as if section 561 of the Companies Act did not apply to any such allotment, such power to expire on 31 August 2014 unless renewed at a general meeting prior to such time;
- (d) that the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution referred to at paragraph 4.6(b), as if section 561 of the Companies Act did not apply to any such allotment, such power to expire on 24 November 2015 unless renewed at a general meeting prior to such time; and
- (e) that the Articles be adopted in substitution for, and to the exclusion of, the existing articles of association of the Company.

4.7 The Companies Act abolished the requirement for companies incorporated in England and Wales to have an authorised share capital. Furthermore, the Articles do not contain a provision expressly limiting the number of shares that can be issued by the Company.

4.8 No shares in the capital of the Company are held by or on behalf of the Company.

4.9 Shareholders are required pursuant to Rule 5 of the Disclosure and Transparency Rules to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3 per cent. of the nominal value of the Company's share capital or any 1 per cent. threshold above that.



- 4.10 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.

## 5. INTERESTS OF MAJOR SHAREHOLDERS

- 5.1 Other than as set out in the table below, as at 7 July 2014 (being the last practicable date prior to the date of this Registration Document), the Company was not aware of any person who was directly or indirectly interested in 3 per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital (%)</i>
Aviva plc*	27,701,755	12.59
East Riding of Yorkshire Council	16,405,846	7.46
Quilter Cheviot Limited	12,050,835	5.48
Smith & Williamson Holdings Limited**	11,427,104	5.19
Artemis Investment Management LLP***	10,562,339	4.80
Premier Fund Managers Limited	9,675,000	4.39

\* Including shares held by Aviva plc's subsidiaries BNY (Nominees) Limited, BNY Norwich Union Nominees Limited, Chase (GA Group) Nominees Limited, CUIIM Nominee Limited, Vidacos Nominees Limited, BNP Paribas – London, Chase Nominees Limited.

\*\*11,287,142 shares held by Smith & Williamson Nominees Limited (a subsidiary of Smith & Williamson Investment Services Limited, subsidiary of Smith & Williamson Holdings Limited) and 139,962 Ordinary Shares held by BNP Paribas as custodian for Smith & Williamson Investment Services Limited (a subsidiary of Smith & Williamson Holdings Limited).

\*\*\* Held on behalf of discretionary funds under management.

- 5.2 Pursuant to the Companies Act, the Company (as a public limited company) must not allot shares except as paid up at least to one quarter of their nominal value and the whole of any premium. A share is deemed to be paid up (as at its nominal value and any premium on it) in cash if an undertaking is given to pay cash to the Company at a future date.
- 5.3 Other than as disclosed as above, the Company and its Directors are not aware of any person who as at 7 July 2014 (being the latest date practicable prior to the publication of this Registration Document), directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor are they aware of any arrangements, the operation of which may at a subsequent date result in a change of control by the Company.
- 5.4 There are no differences between the voting rights enjoyed by the persons set out in the table above and those to be enjoyed by the Shareholders on Admission.

## 6. DIRECTORS' INTERESTS

- 6.1 Save as set out in the table below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at 7 July 2014 (being the last practicable date prior to the date of this Registration Document):

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital (%)</i>
Richard Jewson	30,000	0.01
Mark Shaw	134,215	0.06

- 6.2 The total remuneration received by each Director from the date of incorporation of the Company to 31 May 2014 (being the last date in respect of which the Company has published financial information) is set out in the table below:

<i>Name</i>	<i>Remuneration (£)</i>
Richard Jewson	33,500.00
Jim Prower	18,763.91
Mark Shaw	0
Stephen Smith	16,083.33

- 6.3 The aggregate remuneration and benefits in kind of the Directors in respect of the 12 months following Admission which will be payable out of the assets of the Company are not expected to exceed £125,000. Each of the Directors is entitled to receive a fee from the Company (other than Mark Shaw) at such rate as may be determined in accordance with the Articles. The Directors are each entitled to an initial fee of £30,000 per annum other than the Chairman (Richard Jewson) who is entitled to an initial fee of £60,000 per annum and the Chairman of the audit committee (Jim Prower) who is entitled to receive an initial fee of £35,000 per annum. No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.
- 6.4 Each of the Directors has been appointed pursuant to a letter of appointment dated 18 November 2013, except for Mark Shaw whose letter of appointment is dated 8 November 2013. No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; (iii) written request of all of the other Directors; and (iv) a resolution of the Shareholders.
- 6.5 None of the Directors have any conflict of interest between duties to the Company and his private interests or other duties, except as to the extent that Mark Shaw is a designated member of the Manager.
- 6.6 None of the Directors in the five years before the date of this Registration Document:
- (a) have any convictions in relation to fraudulent offences;
  - (b) have been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; or
  - (c) have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or have been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 6.7 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

- 6.8 In addition to their directorships of the Company, the Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the previous five years:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Richard Jewson	Nomina No 195 LLP Temple Bar Investment Trust Plc Transforming Education In Norfolk Norfolk Can Inspire Tritax REIT Acquisition 3 Limited Tritax REIT Acquisition 4 Limited Tritax REIT Acquisition 5 Limited	Clipstone Industrials 2 LLP Archant Profit Sharing Scheme Trustee Company Limited Archant Employee Benefit Trustee Company Limited Archant Limited Jarrold & Sons Limited Archant Charitable Trustee Company Limited
Jim Prower	Argent (Property Development) Services LLP Argent Investments LLP Argent (King's Cross) Limited Miller Argent (Nominee No.1) Limited Miller Argent (South Wales) Limited Ffos-Y-Fran (Commoners) Limited Miller Argent (Ffos-Y-Fran) Limited Miller Argent Holdings Limited Argent King's Cross Gp Limited Argent King's Cross Nominee Limited Elisabeth House General Partner Limited Elisabeth House Nominee No. 1 Limited Elisabeth House Nominee No. 2 Limited Five Piccadilly Management Company Limited Kcc Nominee 1 (P2) Limited Kcc Nominee 2 (P2) Limited Kcc Nominee 1 (R1) Limited Kcc Nominee 1 (R3) Limited Kcc Nominee 2 (Q1) Limited Kcc Nominee 1 (Q1) Limited Kcc Nominee 1 (R5s) Limited Kcc Nominee 2 (R1) Limited Kcc Nominee 2 (R3) Limited Kcc Nominee 2 (R5s) Limited Arthouse Manco Limited Kcc Nominee 1 (J) Limited Kcc Nominee 1 (T5) Limited Kcc Nominee 1 Limited Kcc Nominee 2 (J) Limited	Argent Group Plc Argent Estates Limited Argent Group Developments Plc Brindleyplace Plc Argent (Paradise) Limited Argent (Piccadilly Gardens) Limited Argent Brindleyplace Investment Limited Argent Piccadilly Place (No. 2) Limited Argent Piccadilly Place (No.1) Limited Piccadilly Place General Partner Limited Piccadilly Place Trustee (No. 1) Limited Piccadilly Place Trustee (No. 2) Limited Argent (Stevenson Square) Limited Piccadilly Place Trustee (No. 3) Limited Piccadilly Place Trustee (No. 4) Limited Argent Projects No 4 Gp Limited Argent Nominee 1 Limited Argent Nominee 2 Limited Argent Projects No 4 Nominee Limited Argent Development Management Limited Colnbrook Developments Limited Colnbrook Developments (Nominee) Limited Pelagia Developments

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Jim Prower (continued)	Kcc Nominee 2 (T5) Limited Kcc Nominee 2 Limited King's Cross Central (Trustee No. One) Limited King's Cross Central (Trustee No. Two) Limited Kcc Nominee 1 (B3) Limited Kcc Nominee 2 (B3) Limited Kcc Nominee 1 (R5n) Limited Kcc Nominee 2 (R5n) Limited King's Cross Central General Partner Limited Kcc Nominee 2 (P1) Limited Kcc Nominee 1 (P1) Limited Kcc Nominee 1 (P1 Resi) Limited Kcc Nominee 2 (P1 Resi) Limited King's Cross Events Limited Kcc Nominee 1 (T1) Limited Kcc Nominee 2 (T1) Limited Kc (B2&B4) Gp Limited Kcc Nominee 1 (B2) Limited Kcc Nominee 1 (B4) Limited Kcc Nominee 1 (B5) Limited Kcc Nominee 2 (B2) Limited Kcc Nominee 2 (B2) Limited Kcc Nominee 2 (B4) Limited Kcc Nominee 2 (B5) Limited Prometheus Regeneration Limited Sisyphus Limited Kcc Nominee 1 (Wts) Limited Kcc Nominee 2 (Wts) Limited Kcc Nominee 1 (Mgs) Limited Kcc Nominee 1 (Coal Drops) Limited Kcc Nominee 1 (R2) Limited Kcc Nominee 2 (Coal Drops) Limited Kcc Nominee 2 (Mgs) Limited Kcc Nominee 2 (R2) Limited Kcc Nominee 1 (T1 Resi) Limited Kcc Nominee 2 (T1 Resi) Limited Argent Projects No 4 Gp Limited Argent Projects No 4 Nominee Limited T1 Manco Limited King's Cross Estate Services Limited Kcc Nominee 1 (Gg) Limited Kcc Nominee 1 (G1pav) Limited Kcc Nominee 2 (G1pav) Limited P1 Manco Limited	Argent Brindleyplace Investments Limited Brindleyplace (Headlease) (No 2) Limited Brindleyplace (Headlease) Limited Eight Brindleyplace (No 2) Limited Eight Brindleyplace Limited Seven Brindleyplace (No 2) Limited Seven Brindleyplace Limited Six Brindleyplace (No 2) Limited Six Brindleyplace Limited Ten Brindleyplace (No 2) Limited Ten Brindleyplace Limited Brindleyplace Co-Nominee Limited Brindleyplace Nominee Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Jim Prower (continued)	Tritax REIT Acquisition 3 Limited Tritax REIT Acquisition 4 Limited Tritax REIT Acquisition 5 Limited Kcc Nominee 1 (B6) Limited Kcc Nominee 2 (B6) Limited Empiric Student Property Plc Empiric Student Property Trustees Limited	
Mark Shaw	BRS Developments (Euro Central) LLP Tal Se Land Development Partnership LLP Personal Storage LLP Tritax Developments Brookfields Park LLP Brookfields Park Syndicate LLP Magenta Oxford LLP Magenta Shepherds Bush LLP Quorum Holdings 2006 LLP Magenta St Albans LLP Tritax Securities LLP Hindley Hotels LLP The Tritax Luton Hotel LLP Tritax Industrial 1 (General Partner) LLP Tritax Industrial 2 (General Partner) LLP Tritax Cobham Marlow (General Partner) LLP 2010/2011 Brookfields Thetford (General Partner) LLP 2010/2011 Cortonwood Retail (General Partner) LLP Aldershot Self Storage LLP GHT Developments LLP Tritax Securities 1 Limited Opus Wines Limited Collective Investments Limited Residual Interest Limited Grosvenor House (Telford) Management Company Limited Grosvenor House (Telford) Nominee No. 1 Limited Tritax Management 1 Limited Cpt Contractor 18 Limited Cpt Developer 18 Limited Magenta Nottingham Limited Brookfields Park Holdings Limited Brookfields Contractors Ma4 Limited Tedworth House Freehold Limited	Glasgow Metro LLP GHT Developments LLP Quorum 2006 LLP Prime VCT Limited Greenock Hotels Limited Grantax Developments Limited Quorum Contractors (Mp1.1) Limited Quorum Contractors (Mp3.5) Limited Quorum Contractors (Mp3.6) Limited Quorum Contractors (Mp4.1) Limited Quorum Contractors (Mp4.15) Limited Quorum Contractors (Mp4.8) Limited Quorum Contractors (Mp5.6) Limited Quorum Contractors (Mp5.7) Limited Quorum Contractors (Mp6.4) Limited The Cordwainers Educational And Training Charitable Trust Company Mistake 0504 Ltd The Edinburgh Branded Hotel And Leisure LLP Personal Storage (Operations) LLP Personal Storage Grousemoor LLP Eurocentral Development Partnership LLP Personal Storage (St Albans) No. 1 LLP Personal Storage (Western Avenue) LLP Personal Storage Grousemoor No 1 LLP Personal Storage Developments LLP

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Mark Shaw (continued)	Quattro Aberdeen 1 Limited Quattro Aberdeen 2 Limited Tal Cpt Hub Company Limited Lodge SS Limited Tritax Brindleyplace (7, 8 & 10) Gp Limited Tritax Brindleyplace (7, 8 & 10) Nominee Limited Tritax Carry (Gp) Limited Fairbridge Developments Limited Tritax Cobham Marlow (Nominee) Limited Ash Road SS Limited Tritax REIT Acquisition 3 Limited Tritax REIT Acquisition 4 Limited Tritax REIT Acquisition 5 Limited Tritax Aberdeen Hq Office (General Partner) Ltd Tritax Renewable Energy (Gp) Limited Tritax Carry General Partner Limited Tritax Prime Distribution Income (General Partner) Limited Tal Investors Limited Tritax Prime Distribution Income Nominee Limited City Buildings (Hotel) Limited City Buildings (Restaurant Nominee) Limited Tritax Manchester Hotel (General Partner) Limited QH 2006 Limited THC (Construction) Limited	Glasgow Metro LLP GHT Developments LLP Quorum 2006 LLP Prime VCT Limited Greenock Hotels Limited Grantax Developments Limited Quorum Contractors (Mp1.1) Limited Quorum Contractors (Mp3.5) Limited Quorum Contractors (Mp3.6) Limited Quorum Contractors (Mp4.1) Limited Quorum Contractors (Mp4.15) Limited Quorum Contractors (Mp4.8) Limited Quorum Contractors (Mp5.6) Limited Quorum Contractors (Mp5.7) Limited Quorum Contractors (Mp6.4) Limited The Cordwainers Educational And Training Charitable Trust Company Mistake 0504 Ltd The Edinburgh Branded Hotel And Leisure LLP Personal Storage (Operations) LLP Personal Storage Grousemoor LLP Eurocentral Development Partnership LLP Personal Storage (St Albans) No. 1 LLP Personal Storage (Western Avenue) LLP Personal Storage Grousemoor No 1 LLP Personal Storage Developments LLP Personal Storage Colwick No 1 LLP Personal Storage Developments Glasgow LLP Tal CPT Land LLP Tritax Quorum Retail & Office (General Partner) LLP Eurocentral 8 No.2 (General Partner) LLP

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Mark Shaw (continued)		Personal Storage Nottingham LLP BRS Developments Limited BRS Construction Limited Eurocentral Contractors No. 1 Limited Eurocentral Contractors No. 2 Limited Eurocentral Contractors No. 3 Limited Eurocentral Contractors No. 4 Limited Eurocentral Contractors No. 5 Limited Eurocentral Contractors No. 6 Limited Eurocentral Developments No.1 Limited Eurocentral Developments No.2 Limited Eurocentral Developments No.3 Limited Eurocentral Developments No.4 Limited Eurocentral Developments No.5 Limited Eurocentral Developments No.6 Limited Europoint Contractors Limited Europoint Developments Limited Brs Developments (Lanarkshire) Limited Grantside One Limited Wightman Developments Limited CPT Contractor 1 Limited CPT Contractor 10 Limited CPT Contractor 11 Limited CPT Contractor 12 Limited CPT Contractor 13 Limited CPT Contractor 14 Limited CPT Contractor 15 Limited CPT Contractor 16 Limited CPT Contractor 17 Limited CPT Contractor 19 Limited CPT Contractor 2 Limited CPT Contractor 20 Limited CPT Contractor 3 Limited CPT Contractor 4 Limited CPT Contractor 5 Limited CPT Contractor 6 Limited CPT Contractor 7 Limited CPT Contractor 8 Limited CPT Contractor 9 Limited



<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Mark Shaw (continued)		CPT Developer 5 Limited CPT Developer 1 Limited CPT Developer 10 Limited CPT Developer 11 Limited CPT Developer 12 Limited CPT Developer 13 Limited CPT Developer 14 Limited CPT Developer 15 Limited CPT Developer 16 Limited CPT Developer 17 Limited CPT Developer 19 Limited CPT Developer 2 Limited CPT Developer 20 Limited CPT Developer 3 Limited CPT Developer 4 Limited CPT Developer 6 Limited Cpt Developer 7 Limited CPT Developer 8 Limited CPT Developer 9 Limited Woodhall Park Construction (No 1) Limited Woodhall Park Construction (No 2) Limited Woodhall Park Construction (No 3) Limited Woodhall Park Construction (No 4) Limited Woodhall Park Construction (No 5) Limited Woodhall Park Construction (No 6) Limited Woodhall Park Developments (No 1) Limited Woodhall Park Developments (No 2) Limited Woodhall Park Developments (No 3) Limited Woodhall Park Developments (No 4) Limited Woodhall Park Developments (No 5) Limited Brookfields Phase 2 Limited Brookfields Phase 3 Limited Brookfields Contractors M105 Limited Brookfields Contractors M106 Limited Brookfields Contractors M107 Limited Brookfields Contractors M107a Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Mark Shaw (continued)		Brookfields Contractors M108 Limited Brookfields Contractors M109 Limited Brookfields Contractors M110 Limited Brookfields Contractors M111 Limited Brookfields Contractors M113 Limited Brookfields Contractors M114 Limited Brookfields Contractors M117 Limited Brookfields Contractors M118 Limited Brookfields Contractors M119 Limited Brookfields Contractors M120 Limited Brookfields Contractors M122 Limited Brookfields Contractors M123 Limited Brookfields Contractors M126 Limited Brookfields Contractors M201 Limited Brookfields Contractors M202 Limited Brookfields Contractors M408 Limited Brookfields Contractors M409 Limited Brookfields Contractors M410 Limited Brookfields Contractors M411 Limited Brookfields Contractors M413 Limited Brookfields Contractors M414 Limited Brookfields Contractors M417 Limited Brookfields Contractors M418 Limited Brookfields Contractors M4222 Limited Brookfields Contractors M503 Limited Brookfields Contractors M504 Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Mark Shaw (continued)		Brookfields Contractors M506 Limited Brookfields Contractors M507 Limited Brookfields Contractors M401 Limited Brookfields Contractors M401a Limited Brookfields Contractors Ma1 Limited Brookfields Contractors Ma2 Limited Brookfields Contractors Ma6 Limited Brookfields Contractors Ma7 Limited Quorum Contractors (Mp1.2) Limited Quorum Contractors (Mp3.1) Limited Quorum Contractors (Mp3.2) Limited Quorum Contractors (Mp3.3) Limited Quorum Contractors (Mp3.4) Limited Quorum Contractors (Mp4.17.1) Limited Quorum Contractors (Mp4.17.2) Limited Quorum Contractors (Mp4.2) Limited Quorum Contractors (Mp4.3) Limited Quorum Contractors (Mp4.4) Limited Quorum Contractors (Mp4.5) Limited Quorum Contractors (Mp4.6) Limited Quorum Contractors (Mp4.7) Limited Quorum Contractors (Mp4.9) Limited Quorum Contractors (Mp5.1) Limited Quorum Contractors (Mp5.10) Limited Quorum Contractors (Mp5.11) Limited Quorum Contractors (Mp5.2) Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Mark Shaw (continued)		Quorum Contractors (Mp5.3) Limited Quorum Contractors (Mp5.4) Limited Quorum Contractors (Mp5.5) Limited Quorum Contractors (Mp5.8) Limited Quorum Contractors (Mp6.1) Limited Quorum Contractors (Mp6.2) Limited Quorum Contractors (Mp6.3) Limited Quorum Contractors (Mp6.5) Limited Aldershot Self Storage Limited Aldershot Storage Developments Limited Tal CPT 2 Limited Tal CPT Limited Tal CPT Management Limited Maxim 2 Limited Maxim 3 Limited Tritax E8 Limited Magenta Storage Solutions Limited
Stephen Smith	The Norman Retail Park LLP Rubicon Securities Limited Dwyer Asset Management Ltd Gatehouse Bank Ltd Starwood European Real Estate Finance	Guildford Shopping Centres No.2 Limited North Street Guildford Nominee No.1 Limited North Street Guildford Nominee No.2 Limited Raw Dykes Nominee One Limited Raw Dykes Nominee Two Limited Church Street Nominee No. 3 Limited Church Street Nominee No 2 Limited Church Street Nominee No. 1 Limited The Gallery Gloucester Green Nominee One Limited The Gallery Gloucester Green Nominee Three Limited The Gallery Gloucester Green Nominee Two Limited Leicester Warehouse Limited Herax Nominees (No.1) Limited Herax Nominees (No.2) Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stephen Smith (continued)		<p>European Added Value Fund  Scotland (General Partner) Limited  REOF II (GP) (Scotland) Limited  Alternative Property Income  Venture (Scotland) Limited  43 Lowndes Square Management  Company Limited  44-49 Lowndes Square  Management Company Limited  6-10 Lowndes Square  Management Company Limited  Friends SLPS Limited  NBP Developments Limited  North British Properties (Scotland)  Limited  North British Properties Limited  Hengrove Park Bristol (Phase I)  Management Company Limited  Astron Management Limited  Axxess 10 Management Company  Limited  Colonial Management Limited  Friends Aelem Limited  Glasgow Airport Business Park  Management Company Limited  Landforce Management Limited  Maidenhead Office Park  Management Company Limited  Opus Park Management Limited  Newgate Street Properties Limited  21/2 Devonshire Square General  Partner Limited  Stonebridge Cross Management  Limited  Thomas More Square General  Partner Limited  Aquis Estates Limited  Aquis Property Company Limited  (The)  Aquis Securities PLC  Magnet House Properties Limited  41-42 Lowndes Square  Management Company Limited  Atlantic Industrial Nominees  Limited  Originwealth Limited  Atlas Park Management Company  Limited  Wokingham Denmark Street Four  Limited</p>

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stephen Smith (continued)		<p>Wokingham Denmark Street One Limited</p> <p>Wokingham Denmark Street Three Limited</p> <p>Wokingham Denmark Street Two Limited</p> <p>Guildford Shopping Centres No.1 Limited</p> <p>Focus Park Management Company Limited</p> <p>Thomas More Square Limited</p> <p>Guardian Properties Limited</p> <p>Thomas More Square Nominee Limited</p> <p>L &amp; P Contracting Limited</p> <p>LP 2 Limited</p> <p>1-5 Lowndes Square Management Company Limited</p> <p>20 Lowndes Square Management Company Limited</p> <p>23-25 Lowndes Square Management Company Limited</p> <p>British Land Company Public Limited Company (The)</p> <p>BL (SP) Investment (3) Limited</p> <p>BL (SP) Investment (4) Limited</p> <p>BL Bradford Forster Limited</p> <p>BL City Offices Holding Company Limited</p> <p>BL Clifton Moor Limited</p> <p>BL Cwmbran Limited</p> <p>BL Davidson Limited</p> <p>BL Department Stores Holding Company Limited</p> <p>BL Doncaster Wheatley Limited</p> <p>BL Grenfell Limited</p> <p>BL Guaranteeco Limited</p> <p>BL HC (DSCH) Limited</p> <p>BL HC (DSCLI) Limited</p> <p>BL HC Dollview Limited</p> <p>BL HC Health and Fitness Holdings Limited</p> <p>BL HC INVIC Leisure Limited</p> <p>BL HC Property Holdings Limited</p> <p>BL Health Clubs PH No 1 Limited</p> <p>BL Health Clubs PH No 2 Limited</p> <p>BL High Street and Shopping Centres Holding Company Limited</p> <p>BL High Street and Shopping Centres Holdings Company Limited</p>

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stephen Smith (continued)		BL Intermediate Holding Company Limited BL Kingston Upon Hull Limited BL Leisure and Industrial Holding Company Limited BL Meadowhall Holdings Limited BL Meadowhall Limited BL Meadowhall No 4 Limited BL Office (Non-City) Holding Company Limited BL Office Holding Company Limited BL Osnaburgh St Residential Ltd BL Residual Holding Company Limited BL Retail Warehousing Holding Company Limited BL Superstores Holding Company Limited BL Triton Building Residential Limited BL Universal Limited BL West (Watling House) Limited Blackglen Limited Blaxmill (thirty) limited Blaxmill (twenty-nine) limited BLD (A) Limited Meadowhall (MLP) Limited BLD (Ebury Gate) Limited BLD (SJ) Investments Limited BLD (SJ) Limited BLD Land Limited BLD Properties Limited BLD Property Holdings Limited BLSSP (Funding) Plc Blu Estates Limited Blu Property Management Limited Blu Securities Limited Boldswitch (No 1) Limited Boldswitch Limited British Land (Joint Ventures) Limited British Land Acquisitions Limited British Land Aqua Partnership (2) Limited British Land Aqua Partnership Limited British Land City British Land City 2005 Limited British Land Construction Limited British Land Department Stores Limited



<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stephen Smith (continued)		British Land In Town Retail Limited British Land Industrial Limited British Land Leisure Limited British Land Offices (Non-City) Limited British Land Offices (Non-City) No 2 Limited British Land Property Management Limited British Land Regeneration Limited British Land Retail Warehouses Limited British Land Securitisation 1999 British Land Superstores (Non-Securitized) Number 2 Limited Broadgate (PHC 8) Limited Broadgate Adjoining Properties Limited Broadgate City Limited Broadgate Court Investments Limited Broadgate Investment Holdings Limited Broadgate Properties Limited Broadgate Square Ltd Brunswick Park Limited BVP Developments Limited Caseplane Limited Cavendish Geared Ii Limited Cavendish Geared Limited Caymall Limited Cheshire Properties Limited Chrislu Nominees Limited City Wall (Holdings) Limited Cornish Residential Properties Trading Limited Cornish Residential Property Investments Limited Derby Investment Holdings Limited Eastgate Shopping Centre Basildon Limited Elementvirtue Limited Euston Tower Limited Exchange House Holdings Limited Finsbury Avenue Estates Limited Four Broadgate Limited Garamead Properties Limited Gardenray Limited Giltbrook Retail Park Nottingham Limited Glenway Limited Hyfleet Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stephen Smith (continued)		Industrial Real Estate Limited Insistmetal 2 Limited Kingsmere Productions Limited L & H Developments Limited Linestair Limited Liverpool Exchange Company Limited (The) Lonebridge UK Limited Ludgate Investment Holdings Limited Ludgate West Limited Manbrig Properties Mayfair Properties Mayflower Retail Park Basildon Limited Meadowbank Retail Park Edinburgh Limited Meadowhall Group (MLP) Limited Mercari Holdings Limited Minhill Investments Limited Moorage (Property Developments) Limited Nugent Shopping Park Limited Orbital Shopping Park Swindon Limited Osnaburgh Street Limited Pillar Nugent Limited Plantation House Limited Project Sunrise Investments Limited Project Sunrise Limited Project Sunrise Properties Limited Rackhams Birmingham Limited Reboline Limited Meadowhall Finance Plc Meadowhall Holdco Limited Meadowhall Nominee 1 Limited Meadowhall Nominee 2 Limited Meadowhall Shopping Centre Limited Meadowhall Shopping Centre Property Holdings Limited Meadowhall Subco Limited MSC (Cash Management) Limited MSC Property Intermediate Holdings Limited Drake Property Holdings Limited Drake Property Nominee (No. 1) Limited Drake Property Nominee (No. 2) Limited Broadgate Estates Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stephen Smith (continued)		1 & 4 & 7 Triton Limited 1-2 Logan Place Limited 10 Brock Street Limited 10 Triton Street Limited 17-19 Bedford Street Limited 18-20 Craven Hill Gardens Limited 20 Brock Street Limited 20 Triton Street Limited 338 Euston Road Limited 350 Euston Road Limited 39 Victoria Street Limited 8/10 Throgmorton Avenue Limited Adshilta Limited Apartpower Limited B.L. Holdings Limited Balsenia Limited Bayeast Property Co Limited Bexile Limited BF Propco (No.1) Limited BF Propco (No.10) Limited BF Propco (No.12) Limited BF Propco (No.13) Limited BF Propco (No.19) Limited BF Propco (No. 3) Limited BF Propco (No. 4) Limited BF Propco (No. 5) Limited BF Properties (No. 4) Ltd BF Properties (No. 5) Ltd BL (Maidenhead) Company Limited BL (SP) Cannon Street Limited BL (SP) Investment (1) Limited BL (SP) Investment (2) Limited BF Propco (No. 11) Limited BF Propco (No. 14) Limited BF Propco (No. 15) Limited BF Propco (No. 16) Limited BF Propco (No. 17) Limited BF Propco (No. 18) Limited BF Propco (No. 2) Limited BF Propco (No. 20) Limited BF Propco (No. 21) Limited BF Propco (No. 22) Limited BF Propco (No. 23) Limited BF Propco (No. 6) Limited BF Propco (No. 7) Limited BF Propco (No. 8) Limited BF Propco (No. 9) Limited Bustoni Limited BVP Financing Limited BVP Holdings Limited Clivara Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stephen Smith (continued)		LSL Holdco 1 Limited LSL Holdco 2 Limited Rigphone Limited Salmax Properties Six Broadgate Limited Sprint 1118 Limited St James Retail Park Northampton Limited St. Stephens shopping centre limited Stockton Retail Park Limited Sydale Tailress Limited The Beehive Centre Cambridge Limited The Mary Street Estate Limited The Retail & Warehouse Company Limited TPP Investments Limited Union Property Corporation Limited Union Property Holdings (London) Limited United Kingdom Property Company Limited Wardrobe Court Limited Wardrobe Place Limited Westgate Retail Park Wakefield Limited York House W1 Limited L & P Contracting (Property) LLP Crestina Limited Sandpull Limited Sun Life Financial Limited Academic Centres Besres Plc Besres Campus Eight Plc Besres Campus Eighteen Plc Besres Campus Eleven Plc Besres Campus Fifteen Plc Besres Campus Five Plc Besres Campus Four Plc Besres Campus Fourteen Plc Besres Campus Nine Plc Besres Campus Nineteen Plc Besres Campus Seven Plc Besres Campus Seventeen Limited Besres Campus Six Plc Besres Campus Sixteen Plc Besres Campus Ten Plc Besres Campus Thirteen Plc Besres Campus Three Plc

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stephen Smith (continued)		Besres Campus Twelve Plc Besres Campus Twenty One Limited

## **7. ARTICLES OF ASSOCIATION**

### **7.1 *Adoption of the Articles***

The material provisions of the Articles, as adopted with effect 9 December 2013 by a special resolution of the Company on 18 November 2013 (and as amended, conditional upon Admission, by a special resolution of the Company being considered at the General Meeting on 25 July 2014), are set out below. This is a description of significant provisions only and does not purport to be complete or exhaustive.

### **7.2 *Objects***

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

### **7.3 *Votes of members***

Subject to the provisions of the Companies Act and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by the Articles:

- (a) on a show of hands every member who is present in person shall have one vote;
- (b) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution shall have one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he shall have one vote for and one vote against the resolution;
- (c) every corporate representative present who has been duly authorised by a corporation shall have the same voting rights as the corporation would be entitled to; and
- (d) on a poll every member who is present in person or by duly appointed proxy or corporate representative shall have one vote for every share of which he is the holder or in respect of which his appointment of proxy or corporate representative has been made.

A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

### **7.4 *Restriction on rights of Shareholders where calls outstanding***

Unless the Board otherwise determines, no Shareholder shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of the holders of any class of shares either personally or by proxy, or to be reckoned in a quorum, or to exercise any other right or privilege conferred by membership in respect of a share held by him in relation to meetings of the Company unless and until he shall have

paid all calls or other sums presently due and payable by him, whether alone or jointly with any other person, to the Company.

## 7.5 *Transfer of shares*

### (a) Form of transfer

Subject to the provisions in the Articles regarding uncertificated shares, all transfers of certificated shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. In relation to both certificated and uncertificated shares, the transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register in respect of such shares. All instruments of transfer which are registered may be retained by the Company.

### (b) Right to refuse registration

The Board may in its absolute discretion refuse to register any transfer of any certificated share which is not a fully paid share provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to the London Stock Exchange's main market for listed securities and/or the Official List of the CISEA on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

### (c) Other rights to decline registration

The Board may decline to recognise any instrument of transfer relating to certificated shares unless the instrument of transfer:

- (i) indicates to the Board that the transferee is a Non-Qualified Holder;
- (ii) is in respect of only one class of share;
- (iii) is lodged at the registered office of the Company or such other place as the Board may appoint;
- (iv) is accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
- (v) is duly stamped (if so required); and
- (vi) in the case of a transfer to joint holders, the number of joint holders does not exceed four.

The Board may, under the Articles, decline to recognise any instrument of transfer relating to certificated shares to any person whose holding or beneficial ownership of shares may result in: (i) the Company, the Manager or the Investment Adviser or any member of its group being in violation of, or required to register under, the Investment Company Act or the US Commodity Exchange Act of 1974, as amended (the “**US CEA**”) or being required to register its shares under the

US Exchange Act; (ii) the Company not being a “foreign private issuer” as such term is defined in Rule 3b-4(c) of the US Exchange Act; (iii) the assets of the Company being deemed to be “plan assets” within the meaning of ERISA and US Department of Labor Regulations and guidance issued thereunder, including, but not limited to 29 C.F.R. 2510, 3-101, or of a “plan” within the meaning of Section 4975 of the US Tax Code, or of a plan or other arrangement subject to Section 503 of the US Tax Code or provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the US Tax Code; (iv) the Company, or any member of its group, the Manager or the Investment Adviser not being in compliance with FATCA, the Investment Company Act, the US Exchange Act, the US CEA, Section 4975 of the US Tax Code, Section 503 of the US Tax Code, ERISA or any applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA, Section 503 of the US Tax Code or Section 4975 of the US Tax Code; or (v) the Company being a “controlled foreign corporation” for the purposes of the US Tax Code (such persons being **“Non-Qualified Holders”**).

If a Shareholder becomes, or holds Ordinary Shares on behalf of, a Non-Qualified Holder, such Shareholder shall notify the Board immediately. If it shall come to the notice of the Board that any Ordinary Shares are owned directly, indirectly, or beneficially by a Non-Qualified Holder, the Board may give notice to such person requiring him either: (i) to provide the Board with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder; or (ii) to sell or transfer his shares to a person who is not a Non-Qualified Holder and to provide the Board with satisfactory evidence of such sale or transfer. Pending such sale or transfer the Board may suspend the exercise of any voting or consent rights and rights to receive notice of, or attend, meetings of the Company and any rights to receive dividends or other distributions with respect to such Ordinary Shares, and the Shareholder shall repay the Company any amounts distributed to such Shareholder by the Company during the time such holder held such Ordinary Shares. If any person upon whom such a notice is served does not either: (i) transfer his Ordinary Shares to a person who is not a Non-Qualified Holder; or (ii) establish to the satisfaction of the Board that he is not a Non-Qualified Holder, the Board may determine that: (a) such person shall be deemed to have forfeited his Ordinary Shares and the Board shall be empowered at their discretion to follow the forfeiture procedures; or (b) to the extent permitted under the Regulations, the Board may arrange for the Company to sell the Ordinary Shares at the best price reasonably obtainable to any other person so that the Ordinary Shares will cease to be held by a Non-Qualified Holder, in which event the Company may, but only to the extent permitted under the Regulations, take any action whatsoever that the Board considers necessary in order to effect the transfer of such Ordinary Shares by the holder of such Ordinary Shares, and the Company shall pay the net proceeds of sale to the former holder upon its receipt of the sale proceeds and the surrender by him of the relevant share certificate or, if no certificate has been issued, such evidence as the Board may reasonably require to satisfy themselves as to his former entitlement to the share and to such net proceeds of sale and the former holder shall have no further interest in the relevant shares or any claim against the Company in respect thereof.



## 7.6 *Dividends*

### (a) Final dividends

Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends (including scrip dividends) to be paid to Shareholders according to their respective rights and interests but no such dividends shall exceed the sum recommended by the Board.

### (b) Interim dividends

In so far as in the opinion of the Board the profits of the Company justify such payments, the Board may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of such dividends and may also from time to time declare and pay interim dividends on shares of any class of such sums and on such dates and in respect of such periods as it thinks fit. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

### (c) Ranking of shares for dividend

Unless and to the extent that the rights attached to any shares or the terms of issue of such shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the sums paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For this purpose no sum paid on a share in advance of calls shall be treated as paid on the share.

### (d) No dividend except out of profits

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Companies Act.

### (e) No interest on dividends

No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

### (f) Retention of dividends

The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or obligations in respect of which the lien exists. The Board may retain the dividends payable upon shares in respect of which any person is under the provisions in the Articles as to the transmission of shares entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

(g) Waiver of dividend

The waiver in whole or in part of any dividend on any share by any document (whether or not executed as a deed) shall be effective only if such document is signed by the holder of such share (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

(h) Unclaimed dividend

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend unclaimed after a period of twelve years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.

(i) Distribution in specie

The Company may upon the recommendation of the Board by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Board shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular:

- (i) may issue fractional certificates;
- (ii) may fix the value for distribution of such specific assets or any part of such specific assets;
- (iii) may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all members;
- (iv) may vest any such specific assets in trustees as may seem expedient to the Board.

**7.7 Capitalisation of profits and reserves**

- (a) The Board may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve, or other undistributable reserve) or any sum standing to the credit of profit and loss account.
- (b) Such capitalisation shall be effected by appropriating such sum to the holders of Ordinary Shares on the register of members of the Company at the close of business on the date of the resolution (or such other date as may be specified in such resolution or determined as provided in such resolution) in proportion to their holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in proportion to their holdings.

- (c) The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Board to make such provision as it thinks fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit of such fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental to such capitalisation and any agreement made under such authority shall be effective and binding on all concerned.
- (d) The Board may, with the sanction of an ordinary resolution, offer to Shareholders the right to elect to receive ordinary shares instead of cash in respect of all or part of any dividend specified by the ordinary resolution. The following provisions shall apply:
- (i) the ordinary resolution may specify a particular dividend, or may specify dividends declared within a specified period, but such period may not be more than five years from the date of the general meeting at which the ordinary resolution was passed;
  - (ii) the entitlement of Shareholders to new shares shall be such that the value of their entitlement shall be, as nearly as possible, equal to the cash amount of the dividend that Shareholder would have received;
  - (iii) no fractions of a share shall be allotted;
  - (iv) the Board shall, after determining the basis of allotment, notify the Shareholders in writing of the right of election offered to them, and specify the procedure to be followed and the place and time at which elections must be lodged in order to be effective. The accidental failure to give notice of any right of election to any Shareholder entitled to this notice does not invalidate any offer of an election nor give rise to any claim;
  - (v) the Board shall not proceed with any election unless the Company has sufficient reserves or funds that may be capitalised. However the Board has authority to allot sufficient shares to give effect to an election after the basis of the allotment is determined;
  - (vi) the Board may exclude from any offer any Shareholder that, if the Company were to make such an offer to such Shareholder, may result in the Company contravening the laws of another territory. Further, the Board may exclude from any offer any Shareholder that, for any other reason, the Board agree should be excluded;
  - (vii) the Board may establish or vary a procedure for election mandates in respect of future rights of election and may determine that every duly effected election in respect of any shares shall be binding on every successor in title to the current Shareholder;
  - (viii) the dividend shall not be payable on shares in respect of which an election has been duly made (“**Elected Shares**”) and instead additional shares shall be allotted to the holders of the Elected Shares (“**Additional Shares**”). For the purposes of this paragraph, the Board may capitalise a sum equal to the aggregate nominal amount of the Additional Shares and apply it in paying up in full the appropriate number of unissued shares for

allotment and distribution to the holders of the Elected Shares. The Board may do as it considers necessary or expedient to give effect to any such capitalisation;

- (ix) the Board may decide how any costs relating to the new shares available in place of a cash dividend will be met, including to deduct an amount from the entitlement of Shareholders;
- (x) the additional shares so allotted shall rank *pari passu* with the fully paid shares in issue on the record date for the dividend in respect of which the right of election has been offered, except that they will not rank for any dividend which has been declared, paid or made by reference to such record date; and
- (xi) the Board may terminate, suspend, or amend any offer of the right to elect to receive ordinary shares in lieu of any cash dividend at any time and generally may implement any scrip dividend scheme on such terms and conditions as the Board may determine and take such other action as the Board may deem necessary.

## 7.8 *Share capital*

### (a) Variation of rights

Whenever the share capital of the Company is divided into different classes of shares, the special rights for the time being attached to any share or class of share in the Company may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company and to the proceedings at such general meetings shall with necessary modifications apply, except that:

- (i) the necessary quorum shall be two persons holding or representing by proxy at least one third in nominal value paid up of the issued shares of the class (but so that if at any adjourned meeting a quorum as defined above is not present, any one holder of any shares of the class present in person or by proxy shall be a quorum); and
- (ii) any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.

The Article only applies to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.

(b) Special rights

The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue of that class of shares, be deemed to be varied:

- (i) by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects equally with such shares but in no respect in priority to such shares;
- (ii) by the purchase by the Company of any of its own shares (and the holding of any such shares as treasury shares); or
- (iii) the Board resolving that a class of shares shall become, or the operator of the relevant system permitting such class of shares to be, a participating security (the phrases “**operator**”, “**relevant system**” and “**participating security**” having the meanings set out in the CREST Regulations).

(c) New shares

All new shares shall be subject to the provisions of the Companies Act and of the Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

(d) Sub-division of shares

Whenever the Company sub-divides its shares, or any of them, into shares of smaller nominal value, the Company may, by ordinary resolution determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared to the others.

Apart from this, there are no conversion provisions in the Articles in respect of the Ordinary Shares.

(e) Purchase of own shares

Where there are in issue convertible securities convertible into, or carrying a right to subscribe for, equity shares of a class proposed to be purchased, a separate meeting of the holders of the convertible securities must be held and their approval by extraordinary resolution obtained before the Company enters into any contract to purchase equity shares of the relevant class. Subject to this and notwithstanding anything to the contrary contained in the Articles, the rights and privileges attached to any class of shares shall be deemed not to be altered or abrogated by anything done by the Company in pursuance of any resolution passed under the powers conferred by the Companies Act.

(f) Forfeiture and lien

(i) Notice on failure to pay a call

If a member fails to pay in full any call or instalment of a call on the due date for payment of such call or instalment, the Board may at any time after the failure serve a notice on him or any person entitled to the shares by transmission requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued on such call

or instalment and any expenses incurred by the Company by reason of such non-payment.

The notice shall name a further day (being not fewer than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance with such notice the shares on which the call was made will be liable to be forfeited.

(ii) Forfeiture for non-compliance

If the requirements of any such notice as is referred to in paragraph 7.8(f)(i) above are not complied with, any share in respect of which such notice has been given may at any time after the non-compliance, before payment of all calls and interest and expenses due in respect of such share has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Board may accept a surrender of any share liable to be forfeited under the Articles.

(iii) Notice on previous holder

Where any share has been forfeited, notice of the forfeiture shall be served upon the person who was the holder of the share before forfeiture or, in the case of a person entitled to such share by transmission, upon such person (as the case may be). An entry recording the fact that notice of forfeiture has been given and that the share has been forfeited shall immediately be made in the Company's register of members in respect of such share. However, no forfeiture shall be invalidated in any manner by any omission or neglect to give such notice or make such entry.

(iv) Disposal of forfeited shares

A share forfeited or surrendered shall become the property of the Company and, subject to the Companies Act, may be sold, re-allotted or disposed of in any other way either to the person who was the holder of such share or entitled to such share before such forfeiture or surrender, or to any other person upon such terms and in such manner as the Board shall think fit and at any time before a sale, re-allotment or other disposition the forfeiture may be annulled by the Board on such terms as it thinks fit. The Board may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person.

(v) Holder to remain liable despite forfeiture

A Shareholder whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares (and shall surrender to the Company for cancellation the certificate for such shares) but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest on such shares at such rate (not exceeding 15 per cent. per annum) as the Board may determine from the date of forfeiture or surrender until payment. The Board may at its absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.



(vi) Lien on partly-paid shares

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this article.

(vii) Sale of shares subject to lien

The Company may sell in such manner as the Board thinks fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled to such share by reason of his death, bankruptcy, liquidation or otherwise.

(viii) Proceeds of sale of shares subject to lien

The net proceeds of sale of shares subject to a lien (after payment of the costs of such sale) shall be applied in or towards payment or satisfaction of the debts or liabilities in respect of which the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

(ix) Evidence of forfeiture

A statutory declaration in writing that the declarant is a director or the company secretary and that a share has been duly forfeited or surrendered or sold to satisfy obligations covered by a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share. Such declaration shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase moneys (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or other disposal of the share.

The forfeiture of a share shall extinguish at the time of forfeiture all interest in and claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by the Articles expressly saved, or as are by the Companies Act given or imposed in the case of past members.



## 7.9 *Directors*

Subject as provided in the Articles the directors of the Company shall not be fewer than two nor more than ten in number. The Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of directors.

### (a) Share qualification

A director shall not be required to hold any shares of the Company by way of qualification. A director who is not a member of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

### (b) Directors' fee

The ordinary remuneration of the directors shall from time to time be determined by the Board.

### (c) Other remuneration of directors

Any director who holds any executive office (including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Board, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Board may determine.

### (d) Directors' expenses

The Board may repay to any director all such reasonable expenses as he may properly incur in attending and returning from meetings of the Board or of any committee of the Board or shareholders' meetings or otherwise in connection with the performance of his duties as a director of the Company.

### (e) Directors' pensions and other benefits

The Board shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

### (f) Directors' permitted interests

Provided (if the Articles so require) that he has declared to the directors the nature and extent of any interest, a director may (save as to the extent not permitted by law), have an interest of the following kind; namely:

- (i) where a director (or a person connected with him) is party to, or directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is interested;
- (ii) where a director (or a person connected with him) is a director, employee or other officer of, or a party to any arrangement or transaction with, or interested in, any body corporate promoted by the Company or in which the Company is interested;

- (iii) where a director (or a person connected with him) is directly or indirectly interested in shares or share options of the Company or is directly or indirectly interested in shares or share options of, or an employee, director or other officer of a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company;
- (iv) where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) under the Company or body corporate in which the Company is interested;
- (v) where a director is given, or is to be given, a guarantee in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is interested;
- (vi) where a director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is interested of which he is a director, employee or other officer acts) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is interested (other than as auditor) whether or not he or it is remunerated for this;
- (vii) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (viii) any other interest authorised by ordinary resolution.

No authorisation pursuant to the Articles shall be necessary in respect of the above interests.

In any situation or matter permitted by, or authorised under the Articles (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation or matter and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

(g) Authorisation of directors' interests

- (i) The directors shall have the power, subject to the Articles as summarised in paragraphs 7.9(g)(ii) and (iii), to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- (ii) Such authorisation shall be effective only if:
  - (A) it is proposed in writing for consideration at a directors' meeting in accordance with the normal procedures or in such other manner as the directors may determine;
  - (B) the quorum requirements at the directors' meeting at which the matter is considered are met without counting the director in question and any other interested director (together, the **"Interested Directors"**); and

- (C) the matter is agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.
- (iii) Such authorisation may:
  - (A) extend to any actual or potential conflict of interest which may arise out of the matter so authorised;
  - (B) be given on such terms, conditions or limitations as may be imposed by the authorising directors as they see fit, including, without limitation: restricting the Interested Director from voting on any resolution in relation to the matter so authorised; restricting the Interested Director from being counted in the quorum at a meeting where the matter so authorised is to be discussed; or restricting the application of the articles summarised in paragraphs 7.9(g)(v) and (vi) below, in respect of such Interested Director; and
  - (C) be withdrawn, or varied by the directors entitled to authorise the relevant interest as they see fit and an Interested Director must act in accordance with any such terms, conditions or limitations.
- (iv) Subject to the Companies Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of the articles.
- (v) Subject to the article as summarised in paragraph 7.9(g)(vi) below (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information in circumstances where disclosure may otherwise be required), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
  - (A) to disclose such information to the Company or to the directors, or any other officer or employee of the Company; or
  - (B) otherwise to use such information for the purpose of or in connection with the performance of his duties as a director.
- (vi) Where such duty of confidentiality arises out of a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company the article as summarised in paragraph 7.9(g)(v) above shall apply only if the conflict arises out of a matter which is permitted or has been authorised by the Articles (subject to any imposed restrictions).
- (vii) Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may take such steps as may be necessary to manage such conflict of interest, including compliance with any procedures laid down by the directors for the purpose of managing conflicts of interest including without limitation:
  - (A) absenting himself from discussions where the relevant situation or matter falls to be considered; and

- (B) excluding himself from information made available to the directors generally in relation to such situation or matter and/or arranging for such information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such information.
- (h) Provisions applicable to declarations of interest
  - (i) Subject to the Companies Act and the articles summarised in paragraphs 7.9(h)(ii) to 7.9(h)(iv) a director shall declare to the other directors the nature and extent of his interest:
    - (A) if such interest is permitted under the articles and is an interest which may reasonably be regarded as likely to give rise to a conflict of interest;
    - (B) if he is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company; or
    - (C) if he is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, unless the interest has been so declared.
  - (ii) The declaration of interest must (in the case of the article summarised in paragraph 7.9(h)(i)(C) above) and may, but need not (in the case of the articles summarised in paragraphs 7.9(h)(i)(A) and (B) above) be made:
    - (A) at a meeting of the directors;
    - (B) by notice to the directors in writing; or
    - (C) by giving general notice to the directors of an interest held in a body corporate or firm, of a connection with a specified person and that he is to be regarded as interested in any transaction or arrangement with that body corporate, firm or specified person.
  - (iii) A director need not declare an interest:
    - (A) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
    - (B) if, or to the extent that, the other directors are already aware of it (or ought reasonably to be aware); or
    - (C) if it concerns terms of his service contract that have been or are to be considered by a meeting or a committee, of the directors appointed for the purpose.
  - (iv) The following further provisions apply in respect of the declaration of interests:
    - (A) if a declaration of interest is, or becomes, inaccurate or incomplete, a further declaration must be made;
    - (B) any declaration of interest required by the Articles summarised in paragraphs 7.9(h)(i)(A) or (C) above must be made as soon as is reasonably practicable;

- (C) any declaration of interest required by the Article summarised in paragraph 7.9(h)(i)(B) above must be made before the Company enters into the transaction or arrangement;
- (D) a declaration in relation to an interest of which the director is not aware, or where the director is not aware of the transaction or arrangement in question, is not required (for this purpose, a director is treated as being aware of matters of which he ought reasonably to be aware); and
- (E) a general notice to the directors that a director has an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified.

(i) Interpretation

For the purposes of paragraph 7.9 an interest of a person connected with a director shall be treated as an interest of the director.

(j) Appointment of executive directors

The Board may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of chairman or deputy chairman) on such terms and for such period as they may (subject to the provisions of the Companies Act) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

(k) Ceasing to be a director

The appointment of any director to the office of chairman or deputy chairman or chief executive or managing or joint managing or deputy or assistant managing director shall automatically determine if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. The appointment of any director to any other executive office shall not automatically determine if he ceases from any cause to be a director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(l) Powers of executive directors

The Board may entrust to and confer upon any director holding any executive office any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## 7.10 *Appointment and retirement of directors*

### (a) Power of Company to appoint directors

Subject to the provisions of the Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles.

### (b) Power of Board to appoint directors

Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of these Articles to appoint any person to be a director, the Board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles. Any director so appointed must retire from office at, or at the end of, the next following annual general meeting and will then be eligible to stand for election but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

### (c) Retirement by rotation

At each annual general meeting one-third of the directors for the time being shall retire from office by rotation (or, if their number is not a multiple of three, the number nearest to but not exceeding one-third) shall so retire provided always that all directors must be subject to re-election at intervals of no more than three years.

### (d) Selection of directors to retire by rotation

The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last re-elected directors on the same day those to retire shall, unless they otherwise agree among themselves, be determined by lot together with those who in the absence of any such retirement would continue in office for a period in excess of three years. A retiring director shall be eligible for re-election.

### (e) Re-election of retiring directors

The Company at the meeting at which a director retires under any provision of the Articles may by ordinary resolution fill the office being vacated by electing to that office the retiring director or some other person eligible for election. In default the retiring director shall be deemed to have been re-elected except in any of the following cases:

- (i) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and lost;
- (ii) where such director has given notice in writing to the Company that he is unwilling to be re-elected; or

- (iii) where the default is due to the moving of a resolution in contravention of the provision in paragraph 7.10(f) below.

(f) Timing of retirement

The retirement of a director at any general meeting shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in place of the retiring director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

(g) Nomination of director for election

No person other than a director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election as a director at any general meeting unless not fewer than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there has been lodged at the Company's registered office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

(h) Vacation of office

The office of a director shall be vacated if:

- (i) he ceases to be a director by virtue of any provision of the Companies Act or he becomes prohibited by law from being a director;
- (ii) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (iii) he is, or may be suffering from mental disorder and either:
  - (A) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
  - (B) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (iv) he resigns by writing under his hand left at the Company's registered office or he offers in writing to resign and the Board resolves to accept such offer;
- (v) he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or



- (vi) notice stating he is removed from office as a director is served upon him signed by all his co-directors who must account to the members at the next general meeting of the Company. If a director holds an appointment to an executive office which automatically determines on his removal from office under this or the preceding sub-paragraph such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

- (vii) Removal of director

The Company may in accordance with and subject to the provisions of the Companies Act by ordinary resolution of which special notice has been given remove any director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement) and elect another person in place of a director so removed from office. Any person so elected shall be treated for the purpose of determining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director in whose place he is elected was last elected a director. In default of such election the vacancy arising upon the removal of a director from office may be filled as a casual vacancy.

- (i) Resolution as to vacancy conclusive

An ordinary resolution of the Board declaring a director to have vacated office under the terms of the Article summarised in paragraph 7.10(i) above, shall be conclusive as to the fact and grounds of vacation stated in the resolution.

#### 7.11 *Meetings and proceedings of directors*

Subject to the provisions of these Articles, the Board may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any director may, and the company secretary at the request of a director shall, summon a meeting of the Board. Notice of a Board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for that purpose. Any director may waive notice of any meeting and any such waiver may be retrospective.

#### 7.12 *Restrictions on voting*

- (a) Save as provided in the Articles summarised in paragraphs 7.12(b) and (c) and whether or not the interest is one which is permitted or authorised under the Articles, a director shall not be permitted to vote on any resolution any contract, transaction or arrangement, or any other proposal in which he (or a person connected with him) has an interest. A director shall not be counted in the quorum at a meeting of the directors in relation to any resolution on which he is not entitled to vote.
- (b) Subject to the Companies Act, a director shall (in the absence of some interest other than is set out below and subject to any restrictions imposed by the authorising directors) be entitled to vote and count in the quorum in respect of any

resolution concerning any contract, transaction or arrangement, or any other proposal:

- (i) in which he has an interest of which he is not aware;
- (ii) in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (iii) in which he has an interest only by virtue of interests in shares or debentures or other securities of the Company, or by reason of any other interest in or through the Company;
- (iv) which involves the giving of any security, guarantee or indemnity to the director or any other person in respect of:
  - (A) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries; or
  - (B) a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or part under a guarantee or indemnity or by the giving of security;
- (v) concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries where the director is or may be entitled to participate as a holder of securities, or in the underwriting or sub-underwriting of which the director is to participate;
- (vi) relating to any other body corporate in which he is interested, directly or indirectly and whether as a director or otherwise, provided that he (together with persons connected with him) does not hold an interest in shares representing one per cent. or more of either any class of the equity share capital, or the voting rights in such body corporate;
- (vii) relating to a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which has been approved by HMRC or is conditional upon such approval or does not award him any privilege or benefit not awarded to the employees to whom such scheme relates;
- (viii) concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of directors or of persons including directors;
- (ix) concerning the giving of indemnities in favour of directors;
- (x) concerning the funding of expenditure by any director or directors on:
  - (A) defending criminal, civil or regulatory proceedings or actions against him or them in connection with an application to the court for relief, under the Companies Act or otherwise; or
  - (B) defending him or them in any regulatory investigations;
- (xi) concerning the doing of anything to enable any director or directors to avoid incurring expenditure as described in paragraph 7.12(b)(x) above; or

- (xii) in respect of which his interest, or the interest of directors generally, has been authorised by ordinary resolution.
- (c) Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and in such case each of the directors concerned (if not debarred from voting under the Article summarised in paragraph 7.12(b)(vi)) shall be entitled to vote and count in the quorum in respect of each resolution except that concerning his own appointment.
- (d) If a question arises as to whether any interest of a director prevents him from voting, or counting in the quorum, under the Articles summarised in paragraphs 7.12(a) to (c) and the question is not resolved by his voluntarily agreeing to abstain from voting or counting in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of such director has not been fairly disclosed. If any such question shall arise in respect of the chairman of the meeting, and such question is not resolved by his voluntarily agreeing to abstain from voting or counting in the quorum, such question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the chairman of the meeting has not been fairly disclosed to the directors.
- (e) Subject to the Companies Act, the Company may by ordinary resolution ratify any transaction not authorised by reason of a contravention of any restrictions in the Articles of a director's entitlement to vote.
- (f) For the purposes of paragraphs 7.12(a) to 7.12(d) and this paragraph 7.12(f) (which apply equally to alternate directors):
  - (i) an interest of a person who is connected with a director shall be treated as an interest of the director; and
  - (ii) in the case of an alternate director, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has.

#### 7.13 *Borrowing powers*

- (a) The Board may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (b) Save as set out above in this paragraph 7, there are no conditions imposed by the Articles regarding changes in the Company's capital which are more stringent than required by law of England and Wales. There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

#### 7.14 *Real estate investment trust*

For the purposes of this paragraph 7.14, the following words and expressions shall bear the following meanings:

**“Distribution”** means any dividend or other distribution on or in respect of the shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made;

**“Distribution Transfer”** means a disposal or transfer (however effected) by a Person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no Person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder;

**“Distribution Transfer Certificate”** means a certificate in such form as the Directors may specify from time to time to the effect that the relevant Person has made a Distribution Transfer, which certificate may be required by the Directors to satisfy them that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution;

**“Excess Charge”** means, in relation to a Distribution which is paid or payable to a Person, all tax or other amounts which the Directors consider may become payable by the Company or any other member of the REIT Group under section 551 of the Corporation Tax Act 2010 (as such section may be modified, supplemented or replaced from time to time) and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that Person;

**“Interest in the Company”** includes, without limitation, an interest in a Distribution made or to be made by the Company;

**“Person”** includes a body of Persons, corporate or unincorporated, wherever domiciled;

**“Relevant Registered Shareholder”** means a Shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder);

**“Reporting Obligation”** means any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company’s status as a UK REIT;

**“Substantial Shareholding”** means the shares in the Company in relation to which or by virtue of which (in whole or in part) a Person is a Substantial Shareholder;

**“Substantial Shareholder”** means any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any member of the REIT Group to be liable to pay tax under section 551 of the Corporation Tax Act 2010 (as such section may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such Person including, at the date of adoption of the Articles, any holder of excessive rights as defined in section 553 of the Corporation Tax Act 2010;

- (a) Notification of Substantial Shareholder and other status
  - (i) Each Shareholder and any other relevant Person shall serve notice in writing on the Company at the registered office on:
    - (A) him becoming a Substantial Shareholder or him being a Substantial Shareholder (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the Shareholder(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the Directors may require from time to time);
    - (B) him becoming a Relevant Registered Shareholder or being a Relevant Registered Shareholder on the date the Articles come into effect (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the Directors may require from time to time); and
    - (C) any change to the particulars contained in any such notice, including on the relevant Person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.
  - (ii) Any such notice shall be delivered by the end of the second Business Day after the day on which the Person becomes a Substantial Shareholder or a Relevant Registered Shareholder (or the date the Articles come into effect, as the case may be) or the change in relevant particulars or within such shorter or longer period as the Directors may specify from time to time.
  - (iii) The Directors may at any time give notice in writing to any Person requiring him, within such period as may be specified in the notice (being seven days from the date of service of the notice or such shorter or longer period as the Directors may specify in the notice), to deliver to the Company such information, certificates and declarations as the Directors may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such Person shall deliver such information, certificates and declarations within the period specified in such notice.
- (b) Distributions in respect of Substantial Shareholdings
  - (i) In respect of any Distribution, the Directors may, if the Directors determine that the condition set out in paragraph 7.14(b)(ii) is satisfied in relation to any shares in the Company, withhold payment of such Distribution on or in respect of such shares. Any Distribution so withheld shall be paid as provided in paragraph 7.14 and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
  - (ii) The condition referred to in 7.14(b)(i) is that, in relation to any shares in the Company and any Distribution to be paid or made on and in respect of such shares:
    - (A) the Directors believe that such shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and

- (B) the Directors are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid,

and, for the avoidance of doubt, if the shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.

- (iii) If a Distribution has been withheld on or in respect of any shares in the Company in accordance with paragraph 7.14(b)(i), it shall be paid as follows:

- (A) if it is established to the satisfaction of the Directors that the condition in paragraph 7.14(b)(ii) is not satisfied in relation to such shares, in which case the whole amount of the Distribution withheld shall be paid; and
- (B) if the Directors are satisfied that sufficient interests in all or some of the shares concerned have been transferred to a third party so that such transferred shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid (provided the Directors are satisfied that following such transfer such shares concerned do not form part of a Substantial Shareholding); and
- (C) if the Directors are satisfied that as a result of a transfer of interests in shares referred to in (B) above the remaining shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid.

In this paragraph, references to the “transfer” of a share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that share.

- (iv) A Substantial Shareholder may satisfy the Directors that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The Directors shall be entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the Directors shall be entitled to require such other information, certifications or declarations as they think fit.
- (v) The Directors may withhold payment of a Distribution on or in respect of any shares in the Company if any notice given by the Directors pursuant to paragraph 7.14(a)(iii) in relation to such shares shall not have been complied with to the satisfaction of the Directors within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the Directors unless the Directors withhold payment pursuant to paragraph 7.14(b)(i) and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- (vi) If any Distribution shall be paid on a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall pay the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the



Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to paragraph 7.14(d)(ii) or out of any subsequent Distribution in respect of the shares to such Person or to the shareholders of all shares in relation to or by virtue of which the Directors believe that Person has an interest in the Company (whether that Person is at that time a Substantial Shareholder or not).

(c) Distribution Trust

- (i) If a Distribution is paid on or in respect of a Substantial Shareholding (except where the Distribution is paid in circumstances where the Substantial Shareholder is not beneficially entitled to the Distribution), the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution is transferred by the payee on trust absolutely for the Persons nominated by the relevant Substantial Shareholder under paragraph 7.14(c)(ii) in such proportions as the relevant Substantial Shareholder shall in the nomination director, subject to and in default of such nomination being validly made within 12 years after the date the Distribution is made, for the Company or such Person as may be nominated by the Directors from time to time.
  - (ii) The relevant Substantial Shareholder of shares of the Company in respect of which a Distribution is paid shall be entitled to nominate in writing any two or more Persons (not being Substantial Shareholders) to be the beneficiaries of the trust on which the Distribution is held under paragraph 7.14(c)(i) and the Substantial Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated Persons, failing which the Distribution shall be held on trust for the nominated Persons in equal proportions. No Person may be nominated under this article who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial Shareholder making the nomination is not by virtue of paragraph 7.14(c)(i) the trustee of the trust, the nomination shall not take effect until it is delivered to the Person who is the trustee.
  - (iii) Any income arising from a Distribution which is held on trust under paragraph 7.14(c)(i) shall until the earlier of (i) the making of a valid nomination under paragraph 7.14(c)(ii) and (ii) the expiry of the period of 12 years from the date when the Distribution is paid be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.
- (d) No Person who by virtue of paragraph 7.14(c)(i) holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- (i) No Person who by virtue of paragraph 7.14(c)(i) holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated Person, the fraud or wilful wrongdoing of its directors, officers or employees.



(e) Obligation to dispose

(i) If at any time, the Directors believe that:

- (A) in respect of any Distribution declared or announced, the condition set out in paragraph 7.14(b)(i) is satisfied in respect of any shares in the Company in relation to that Distribution;
- (B) a notice given by the Directors pursuant to paragraph 7.14(b)(i) in relation to any shares in the Company has not been complied with to the satisfaction of the Directors within the period specified in such notice; or
- (C) any information, certificate or declaration provided by a Person in relation to any shares in the Company for the purposes of the preceding provisions was materially inaccurate or misleading, the Directors may give notice in writing (a “**Disposal Notice**”) to any Persons they believe are Relevant Registered Shareholders in respect of the relevant shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the Directors consider to be appropriate in the circumstances) to dispose of such number of shares the Directors may in such notice specify or to take such other steps as will cause the condition set out in paragraph 7.14(b)(i) no longer to be satisfied. The Directors may, if they think fit, withdraw a Disposal Notice.

(ii) If:

- (A) the requirements of a Disposal Notice are not complied with to the satisfaction of the Directors within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or
- (B) a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable;

the Directors may arrange for the Company to sell all or some of the shares to which the Disposal Notice relates or, as the case may be, that form part of the Substantial Shareholding concerned. For this purpose, the Directors may make such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant shares and, in the case of a share in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant share through a relevant system.

- (iii) Any sale pursuant to paragraph 7.14(d)(ii) shall be at the price which the Directors consider is the best price reasonably obtainable and the Directors shall not be liable to the holder or holders of the relevant share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.

- (f) The net proceeds of the sale of any share under paragraph 7.14(b)(ii) (less any amount to be retained pursuant to 7.14(b)(vi) and the expenses of sale) shall be

paid over by the Company to the former holder or holders of the relevant shares upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.

- (i) The title of any transferee of shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this paragraph.

(g) General

- (i) The Directors shall be entitled to presume without enquiry, unless any Director has reason to believe otherwise, that a Person is not a Substantial Shareholder or a Relevant Registered Shareholder.
- (ii) The Directors shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular Person) pursuant to this paragraph 7.14 and any such determination or decision shall be final and binding on all Persons unless and until it is revoked or changed by the Directors. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to this paragraph 7.14 shall be binding on all Persons and shall not be open to challenge on any ground whatsoever.
- (iii) Without limiting their liability to the Company, the Directors shall be under no liability to any other Person, and the Company shall be under no liability to any Shareholder or any other Person, for identifying or failing to identify any Person as a Substantial Shareholder or a Relevant Registered Shareholder.
- (iv) The Directors shall not be obliged to serve any notice required under this paragraph 7.14 upon any Person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any Person upon whom notice is required to be served under this paragraph 7.14 shall not prevent the implementation of or invalidate any procedure under this paragraph 7.14.
- (v) Any notice required by this paragraph 7.14 to be served upon a Person who is not a Shareholder or upon a Person who is a Shareholder but whose address is not within the United Kingdom and who has failed to supply to the company an address within the United Kingdom shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that Person or Shareholder at the address if any, at which the Directors believe him to be resident or carrying on business or, in the case of a holder of depository receipts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.

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

Save as set out above in this paragraph 7, there are no conditions imposed by the Articles regarding changes in the Company's capital which are more stringent than required by the law of England and Wales. There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

7.15 *Provision of information by Shareholders*

- (a) If a Shareholder or any other person appearing to be interested in shares of the Company:
- (b) fails within 10 days after the date of service of a notice to comply with the disclosure requirements set out in the notice then the Board may determine that the Shareholder shall, upon the issue of a restriction notice, be subject to one or more of the following restrictions:
  - (i) that the Shareholder shall not be entitled to attend or be counted in the quorum or vote either personally or by proxy at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll or to exercise any other right or privilege in relation to any general meeting or any meeting of the holders of any class of shares;
  - (ii) that, unless effected as described below, no transfer of the shares to which the restriction notice relates (where such shares are in certificated form) shall be effective or shall be registered by the Company;
  - (iii) that no dividend or other money payable shall be paid in respect of the shares to which the restriction notice relates and that, in circumstances where an offer of the right to elect to receive shares instead of cash in respect of any dividend is or has been made, any election made under that offer in respect of such Specified Shares shall not be effective,

provided that only the restriction referred to in subparagraph (i) may be determined by the Board to apply if the shares to which the restriction notice relates represent less than 0.25 per cent. of the relevant class. Where dividends or other moneys are not paid as a result of any of the restrictions set out above, such dividends or other moneys shall accrue and, upon the relevant restriction ceasing to apply, shall be payable (without interest) to the person who would have been entitled had the restriction not been imposed.

The restrictions referred to above cease to apply at the discretion of the Board, upon the Company receiving in accordance with the terms of the relevant disclosure notice the information required, or if the Company receives an executed instrument of transfer (or a transfer of uncertificated shares is effected under the relevant system) in respect of those shares, which would otherwise be given effect to, pursuant to a sale effected on a recognised investment exchange to a party not connected (within the meaning given in section 1122 of the Corporation Tax Act 2010) with the member holding such shares or with any other person appearing to be interested in such shares.

- (c) The Board has the power to require any Shareholder to disclose to the Company such information as the Board determines is necessary or appropriate to permit the Company or any member of its group to satisfy any applicable United States tax withholding, reporting or filing requirements arising with respect to that Shareholder's or certain other persons' ownership interest in the Company under the US Tax Code or FATCA, including: (i) compliance with the Company's

withholding and reporting obligations under FATCA; and (ii) determining, withholding and reporting to the U.S. Internal Revenue Service or other applicable taxing jurisdiction by the Company or any member of its group on amounts received, paid or, solely for United States tax compliance and reporting purposes, accrued that are derived from U.S. source income (including in respect of the payment of U.S. sourced fixed or determinable annual or periodic income) (a “**Tax Reporting Notice**”).

If any Shareholder has been duly served with a Tax Reporting Notice and is in default after the prescribed deadline (28 days from the date of service of the Tax Reporting Notice) the Board may in its absolute discretion at any time thereafter serve a restriction notice upon such Shareholder.

A restriction notice may direct that the Shareholder shall not be entitled to: (i) vote at a general of the Company; (ii) transfer its certificated Ordinary Shares; and/or (iii) any dividend or other money payable in respect of such Ordinary Shares.

In addition, if any member has been served with a restriction notice for failing to supply to the Company the information required by a Tax Reporting Notice, the board may, after thirty days from the date of service of the restriction notice, give notice to such member requiring him to sell or transfer his shares and to provide the Board with satisfactory evidence of such sale or transfer. If any person upon whom such a notice is served does not transfer his shares or establish to the satisfaction of the Board that he has duly provided the information required by the relevant Tax Reporting Notice:

- (i) such person shall be deemed to have forfeited his shares and the Board shall be empowered at its discretion to follow procedures in respect of those shares; or
- (ii) if the Board so determines, to the extent permitted under the Regulations, the Board may arrange for the Company to sell the shares at the best price reasonably obtainable to any other person and the Company shall pay the net proceeds of sale, reduced by an amount equal to any taxes or other costs or expenses incurred by the Company or any member of its group resulting from such failure or default to the former holder upon its receipt of the sale proceeds and the surrender by him of the relevant share certificate or, if no certificate has been issued, such evidence as the Board may reasonably require to satisfy itself as to his former entitlement to the shares and to such net proceeds of sale and the former holder shall have no further interest in the relevant shares or any claim against the Company in respect thereof.

## **8. VARIATION OF SHAREHOLDER RIGHTS**

The rights attaching to the Ordinary Shares are set out in the Articles and summarised in paragraph 7 of this Part 9. For these rights to be varied or changed would require a general meeting of the Company to be convened. This would require 14 days’ written notice (in the absence of Shareholders who together hold not less than 95 per cent. in nominal value of shares giving them a right to attend and vote at the meeting deciding otherwise) to be given to each Shareholder. Each Shareholder would have the right to attend the general meeting in person or by proxy and vote on the resolution to be proposed. Such resolution would be a special resolution of the Company and requires a majority of not less than three-fourths of Shareholders voting in person or by proxy at such general meeting.

## **9. SHAREHOLDER MEETINGS**

- 9.1 The Company must in each year hold a general meeting as its annual general meeting (or “**AGM**”). This must be held in each period of six months beginning with the day following the Company’s accounting reference date. An AGM must be convened, unless all Shareholders entitled to attend and vote agree to a shorter notice period, on giving 21 days’ notice in writing to the members of the Company.
- 9.2 Other meetings can be convened by the Company from time to time and are referred to as extraordinary general meetings (or “**EGMs**”). The length of written notice to convene such a meeting is 14 clear days.
- 9.3 EGMs can be convened on shorter notice with the agreement of Shareholders being a majority in number and holding not less than 95 per cent. in nominal value of the shares giving them a right to attend and vote at the meeting.
- 9.4 Shareholders need not attend a meeting of the Company in person but can do so by way of a validly appointed proxy. Proxies are appointed in accordance with the Articles. In essence, to be validly appointed, details of the proxy must be lodged at the Company’s registered office no later than 48 hours before the commencement of the relevant meeting. Failure to lodge details of the appointed proxy in accordance with the Articles could result in the vote of the proxy being excluded on any resolution and possibly to the exclusion of the proxy from the meeting unless they were also a Shareholder.
- 9.5 If a Shareholder is a corporation, whether or not a company, it can pass a resolution of its directors or other governing body to authorise such person as it thinks fit to act as its representative at any meeting of the Company or class meeting of Shareholders of the Company.

## **10. NOTIFICATION OF MAJOR HOLDINGS OF SHARES**

- 10.1 Whilst disclosure of shareholdings is not a requirement of the Articles, chapter 5 of the Disclosure and Transparency Rules makes provision regarding notification of certain shareholdings and holdings of financial instruments.
- 10.2 Where a person holds voting rights in the Company as shareholder or through direct or indirect holdings of financial instruments, then the person has an obligation to make a notification to the FCA and the Company of the percentage of voting rights held where that percentage reaches, exceeds or falls below three per cent. or any whole percentage figure above three per cent. The requirement to notify also applies where a person is an indirect shareholder and can acquire, dispose of or exercise voting rights in certain cases.

## **11. MANDATORY BIDS AND COMPULSORY ACQUISITION**

### **11.1 *Mandatory bids***

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- (a) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the offeror and,

depending on the circumstances, his concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the offeror or his concert parties during the previous 12 months.

## 11.2 *Compulsory acquisitions*

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

## 12. **MATERIAL CONTRACTS**

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or any other member the REIT Group in the two years immediately preceding the date of this Registration Document. There are no other contracts (not being contracts entered into in the ordinary course of business) entered into by any member of the REIT Group which contain any provisions under which any member of the REIT Group has any obligation or entitlement which is material to the REIT Group as at the date of this Registration Document.

### 12.1 *Placing Agreement*

Pursuant to the Placing Agreement dated 8 July 2014 between the Company, the Manager, Jefferies and Akur, and subject to certain conditions, Jefferies has agreed to use its reasonable endeavours to:

- (a) procure subscribers for Ordinary Shares at the Issue Price under the Placing; and
- (b) procure subscribers for Ordinary Shares made available under any placing component of the Share Issuance Programme.

In addition, under the Placing Agreement, Akur has been appointed as joint financial adviser and Jefferies has been appointed as sponsor, joint financial adviser, sole global



coordinator and bookrunner in connection with the proposed applications for Admission, the Issue and the Share Issuance Programme.

The Placing Agreement may be terminated by Jefferies in certain customary circumstances prior to Admission.

The obligations of the Company to issue Ordinary Shares under the Placing and the obligations of Jefferies to use its reasonable endeavours to procure subscribers for Ordinary Shares under the Placing are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission in respect of the Ordinary Shares following the Issue occurring and becoming effective by 8.00 a.m. on or prior to 30 July 2014 or such later time and/or date as the Company and Jefferies may agree; and (ii) the Placing Agreement becoming wholly unconditional (save as to Admission and in respect of any condition which relates to the Share Issuance Programme) and not having been terminated in accordance with its terms at any time prior to Admission.

Similarly, the obligations of the Company and Jefferies in connection with the Share Issuance Programme are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) admission occurring in respect of the relevant placing of Ordinary Shares; (ii) the Placing Agreement becoming wholly unconditional in respect of the relevant placing of Ordinary Shares (save as to admission of those Ordinary Shares) and not having been terminated in accordance with its terms at any time prior to admission; and (iii) in relation to non-pre-emptive offerings, the issue price being not less than the then current Net Asset Value per Ordinary Share (of the relevant class).

The Company and the Manager have given warranties to Jefferies and Akur concerning, *inter alia*, the accuracy of the information contained in this Registration Document. The Company and the Manager have also given indemnities to Jefferies and Akur. The warranties and indemnities given by the Company and the Manager are customary for an agreement of this nature.

The Placing Agreement is governed by the law of England and Wales.

## 12.2 *Investment Management Agreement*

The Company entered into the Investment Management Agreement with the Manager on 2 July 2014. Following its execution the Investment Management Agreement replaced the Property Management and Services Agreement in its entirety. The Investment Management Agreement is broadly on the same terms as the Property Management and Services Agreement but includes certain additional provisions for the Manager to meet its regulatory obligations in its capacity as an FCA authorised AIFM and to enable the Manager to provide the Company with the services formerly performed by the Investment Adviser. Accordingly, following the Manager's FCA authorisation as an AIFM and the entry by the Manager and the Company into the Investment Management Agreement, the Investment Advisory Agreement was terminated pursuant to a deed of termination effective 2 July 2014. Pursuant to the Investment Management Agreement, the Manager has responsibility for:

- (a) general property management of the properties held by the Company, including ensuring the Company receives the necessary advice to comply with its lease and headlease obligations, managing tenant applications, supervising tenants and preparing a budget for the properties;



- (b) sourcing and assisting with the acquisition of properties that fall within the Company's Investment Policy;
- (c) advising the Company in circumstances where the interests in real estate in contemplation are securitised in such a way that advice in relation to their acquisition or disposal is regulated under FSMA;
- (d) implementing a comprehensive, active and entrepreneurial asset management strategy to deliver added value;
- (e) obtaining buildings insurance for the properties;
- (f) arranging senior and subordinated debt (if required) to optimise the capital structure and support the acquisition process; and
- (g) coordinating with third parties providing services to the Company.

In addition, the Manager supports the Administrator who calculates the NAV of the Ordinary Shares on a semi-annual basis and these calculations are reported to Shareholders in the Company's interim financial statements and annual accounts.

The initial term of the Investment Management Agreement is derived from the original provisions of the Property Management and Services Agreement, which have been replicated in the Investment Management Agreement and provide for an initial term of five years from the commencement date as defined in the Investment Management Agreement (the "**Initial Term**"), terminable by either party by giving not less than twelve months' prior written notice to the other, which notice may not be given before the fourth anniversary of the commencement date of the Property Management and Services Agreement. If notice to terminate the Investment Management Agreement is not given prior to the end of the Initial Term either party may on or after the end of the Initial Term terminate the Investment Management Agreement by giving not less than 12 months' prior written notice to the other.

The Manager's fees are paid by the Company in the form of a management fee, as described more fully in paragraph 7.2 of Part 4 of this Registration Document.

If, at any time during the term of the Investment Management Agreement, any two of Mark Shaw, Colin Godfrey, James Dunlop and Henry Franklin or a replacement for any of them (the "**Key Men**") are unable to perform their duties in relation to the Company and to the affairs of the REIT Group (a "**Key Man Event**"):

- (a) the Manager shall promptly inform the Company and be entitled, at any time within two months of the Key Man Event (or such longer period as the Company may in its absolute discretion determine) (the "**Cure Period**") to propose replacement key executives, who shall be formally approved if the Company (acting reasonably) consents to their appointment; and
- (b) if the Key Man Event is not rectified during the Cure Period, the Company shall have the right to terminate the Investment Management Agreement with immediate effect.

The Manager may at any time propose to the Company a person as a new key executive of the Manager in anticipation of the departure or change in the role of a Key Man. If the appointment is approved by the Company (acting reasonably) the departure or change in the role of the Key Man shall not count in the determination of the circumstances in which a Key Man Event occurs.

The Manager shall maintain a team of investment professionals suitable for the effective execution of its duties and powers under the Investment Management Agreement. If the Company notifies the Manager at any time that, in its reasonable opinion, this requirement has not been achieved, then the Manager shall have a period of two months (or such longer period as the Company may in its absolute discretion determine) to procure that the situation is suitably remedied. If that situation is not so remedied to the satisfaction of the Company (acting reasonably), the Company shall have the right to terminate the Investment Management Agreement with immediate effect.

The Investment Management Agreement may be terminated on the occurrence of an insolvency event in relation to a party, if a party is fraudulent, grossly negligent or commits wilful default/misconduct which, if capable of remedy, is not remedied within 30 Business Days or on a force majeure event continuing for more than 90 days.

The Investment Management Agreement may also be terminated by either party giving not less than twelve months' prior written notice to the other, which notice may not be given before the fourth anniversary of the commencement date.

The services to be provided by the Manager under the Investment Management Agreement are provided on a non-exclusive basis and the Manager is free to provide similar services to other third parties.

If the Manager sources an investment or acquisition opportunity that falls within the Company's Investment Policy and is £25 million or more, the Manager shall offer this investment opportunity to the Company in priority to any other person and the Company shall have two weeks to decide if it wishes to pursue the investment opportunity, during which period the Manager will not offer the investment opportunity to any other person or pursue the opportunity itself.

#### 12.3 *Ekistics Unit Sale Agreement*

SPV 2, SPV 2 Ltd, Ekistics Property Holding Company 1 Limited ("**EPHC1**"), Ekistics Property Holding Company 2 Limited ("**EPHC2**") and The Ekistics Property Investors 1 LP (the "**Guarantor**") entered into the Ekistics Unit Sale Agreement on 11 December 2013.

Pursuant to the Ekistics Unit Sale Agreement, SPV 2 Ltd acquired 1,843,944 'A' Units in the Unit Trust from EPHC1 and SPV 2 acquired 16,595,496 'B' Units in the Unit Trust from EPHC2 (together, the "**Units**"). Together, SPV 2 Ltd and SPV 2 acquired the Units for £48.75 million (less any Bank Debt as defined therein), as adjusted by schedule 6 of the Ekistics Unit Sale Agreement.

The Unit Trust holds the freehold interest to Sainsbury's Big Box.

Under the Ekistics Unit Sale Agreement, the Guarantor guarantees the payment by EPHC1 and EPHC2 of any amounts due to SPV 2 Ltd and SPV 2 in respect of a Settled Claim (as defined therein). SPV 2 Ltd and SPV 2 are not entitled to bring any claim to the extent that they are actually aware of a fact which either of them has assessed would entitle either of them to bring a claim.

#### 12.4 *Sainsbury's Facility Agreement*

Pursuant to the Sainsbury's Facility Agreement dated 9 April 2014 between (*inter alium*) Sherburn Trustee One Limited and Sherburn Trustee Two Limited acting in their capacities as trustees of the Sherburn RDC Unit Trust ("**Sherburn**"), SPV 2, SPV 2 Ltd, Barclays and the financial lenders listed therein (the "**Lenders**"), the Lenders made available to Sherburn an investment term loan facility of £23.5 million (the "**Sherburn Loan**").

The Sherburn Loan can only be used for:

- (a) the repayment of the outstanding facility under the intra-group loan agreement dated 11 December 2013 between Sherburn and the Company (the “**Sherburn Intra-Group Loan Agreement**”);
- (b) paying costs and expenses incurred in connection with the Sherburn Intra-Group Loan Agreement;
- (c) any upstream distribution to SPV 2 or SPV 2 Ltd or redemption of existing units in the Sherburn RDC Unit Trust; and
- (d) for the purposes of any other capital restructuring as agreed between Baljean and Barclays prior to first utilisation.

Sherburn may borrow the Sherburn Loan in full, in one amount, in the period from and including the date of the Sherburn Facility Agreement to and including the date falling 60 days from the date of the Sherburn Facility Agreement (the “**Availability Period**”) by giving Barclays a duly completed request. The date on which the loan is borrowed (the “**Utilisation Date**”) must fall within the Availability Period. Any undrawn commitments under the Sherburn Loan will be automatically cancelled at close of business on the last day of the Availability Period.

Sherburn must repay the outstanding amount of the Sherburn Loan, together with all other amounts due under the Finance Documents (as defined therein), in full to the relevant parties on the later of:

- (a) the date falling 4 years from the Utilisation Date;
  - (b) the date the facility (or part thereof) is extended pursuant to clause 4.2.7; and
  - (c) the date the facility (or part thereof) is extended pursuant to clause 4.2.9,
- (the “**Final Maturity Date**”).

There is the potential to extend the term of the facility to a maximum of 6 years. Sherburn must request such extensions and each Lender is free to decide in its sole discretion whether to agree to such requests.

The rate of interest on the Sherburn Loan for each interest period is the percentage rate per annum equal to the aggregate of the applicable: (a) Margin; and (b) LIBOR (both as defined in the Sherburn Facility Agreement). The Margin is variable depending on the loan to value covenant calculation and ranges from 1.75 per cent. to 2.25 per. cent per annum. The interest payment dates are 31 January, 30 April, 31 July, 31 October and the Final Maturity Date, with the first interest payment date being 31 July 2014.

The Sherburn Loan is secured by the following first ranking security:

- (a) a debenture from each of Sherburn, SPV 2 and SPV 2 Ltd over all of such companies, businesses and assets, including in the case of Sherburn, Sainsbury's Big Box;
- (b) a Jersey law security interest agreement from SPV 2 over the units held by SPV 2 in the Unit Trust;
- (c) a Jersey law security interest agreement from SPV 2 Ltd over the units held by SPV 2 Ltd in the Unit Trust; and

- (d) a Jersey law security interest agreement from Sherburn over its accounts in Jersey.

The Sainsbury's Facility Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets; and
- (b) restrictions on the disposal of assets.

The Sainsbury's Facility Agreement includes both a loan to value covenant ("**LTV Covenant**") and an interest cover covenant ("**ICR Covenant**"). The ICR Covenant requires interest cover of at least 275 per cent. and is tested quarterly on each interest payment date (such dates as detailed above). The LTV Covenant requires that the loan to value should not at any time exceed 70 per cent., save in such circumstances where the existing occupational lease is assigned and neither the assignee nor the assignee guarantor have the required minimum rating (as set out in the Sainsbury's Facility Agreement), then the LTV Covenant requires the loan to value should not at any time after such assignment exceed 60 per cent. The LTV Covenant may be tested at any time during the term of the Sherburn Loan. Should there be a breach of the LTV Covenant, Sherburn has two opportunities during the life of the Sainsbury's Facility Agreement to remedy such breach. Sherburn may only utilise the remedy provisions once in each 12 month period. Any breach of the LTV Covenant (which is not remedied) and any breach of the ICR Covenant is an event of default under the Sainsbury's Facility Agreement.

In addition to the events of default arising from a breach of the LTV Covenant or the ICR Covenant, the Sainsbury's Facility Agreement includes other various events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to Sherburn, SPV 2, SPV 2 Ltd and the Company. An event of default which is continuing would entitle Barclays to:

- (a) cancel all or any part of the total commitments under the Sherburn Loan; and/or
- (b) declare that all or part of the amounts outstanding under the Finance Documents are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand.

The Sainsbury's Facility Agreement is governed by English law.

## 12.5 *Baljean SPA*

SPV 1 and Great Ventures Holdings Invest Inc. ("**Great Ventures**") entered into the Baljean SPA on 13 December 2013. Pursuant to the Baljean SPA, SPV 1 acquired the entire issued share capital of Baljean (the "**Baljean Shares**"). SPV 1 acquired the Baljean Shares for consideration of £82.57 million, as adjusted pursuant to schedule 9 of the Baljean SPA.

Baljean's assets include, *inter alia*, title to M&S Big Box which was purpose built for Marks & Spencer plc. Marks and Spencer plc are party to an occupational lease relating to M&S Big Box.

Pursuant to the Baljean SPA, SPV 1 acknowledged that it had inspected M&S Big Box and purchased the Baljean Shares with full knowledge of the actual state and condition of M&S Big Box.

SPV 1 gave various tax assurances to Great Ventures which include, *inter alia*, that:

- (a) if SPV 1 or Baljean become aware of the issue, delivery or service of any document or any other fact, matter or circumstance which it appears a taxation liability has or may be imposed on Baljean relevant for the Baljean SPA, SPV 1 shall promptly give Great Ventures written notice of that taxation claim and shall, subject to Great Ventures indemnifying SPV 1 or Baljean, take such action as Great Ventures may reasonably request to avoid, resist, appeal or compromise the taxation claim; and
- (b) SPV 1 shall procure that Great Ventures is afforded such information or assistance that it reasonably requires in relation to any tax claim and to send copies of any relevant communications from any tax authority so far as it relates to a taxation claim.

#### 12.6 *Baljean Facility Agreement*

Pursuant to the Baljean Facility Agreement dated 3 June 2014 between (*inter alium*) Baljean, SPV 1, Barclays and the financial lenders listed therein (the “**Lenders**”), the Lenders made available to Baljean an investment term loan facility of £49.28 million (the “**Baljean Loan**”).

The Baljean Loan can only be used for:

- (a) the repayment of the outstanding facility under the intra-group loan agreement dated 17 December 2013 between Baljean and the Company (the “**Baljean Intra-Group Loan Agreement**”);
- (b) paying costs and expenses incurred in connection with the Baljean Intra-Group Loan Agreement;
- (c) any upstream distribution to SPV 1 for the redemption of existing issued share capital of Baljean; and
- (d) for the purposes of any other capital restructuring as agreed between Baljean and Barclays prior to first utilisation.

Baljean may borrow the Baljean Loan in full, in one amount, in the period from and including the date of the Baljean Facility Agreement to and including the date falling 60 days from the date of the Baljean Facility Agreement (the “**Availability Period**”) by giving Barclays a duly completed request. The date on which the loan is borrowed (the “**Utilisation Date**”) must fall within the Availability Period. Any undrawn commitments under the Baljean Loan will be automatically cancelled at close of business on the last day of the Availability Period.

Baljean must repay the outstanding amount of the Baljean Loan, together with all other amounts due under the Finance Documents (as defined therein), in full to the relevant parties on the later of:

- (a) the date falling 5 years from the Utilisation Date;
- (b) the date the facility (or part thereof) is extended to pursuant to clause 4.2.7; and

- (c) the date the facility (or part thereof) is extended to pursuant to clause 4.2.9, (the “**Final Maturity Date**”).

There is the potential to extend the term of the facility to a maximum of 7 years. Baljean must request such extensions and each Lender is free to decide in its sole discretion whether to agree to such requests.

The rate of interest on the Baljean Loan for each interest period is the percentage rate per annum equal to the aggregate of the applicable: (a) Margin; and (b) LIBOR (both as defined in the Baljean Facility Agreement). The Margin is variable depending on the loan to value covenant calculation and ranges from 2.00 per cent. to 2.25 per cent. per annum. The interest payment dates are 31 January, 30 April, 31 July, 31 October and the Final Maturity Date, with the first interest payment date being 31 July 2014.

The Baljean Loan is secured by:

- (a) a first ranking debenture from Baljean over all of the business and assets of Baljean, including M&S Big Box; and
- (b) a first ranking Isle of Man law share charge from SPV 1 over all of the issues shares in Baljean.

The Baljean Facility Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets; and
- (b) restrictions on the disposal of assets.

The Baljean Facility Agreement includes both a loan to value covenant (“**LTV Covenant**”) and an interest cover covenant (“**ICR Covenant**”). The ICR Covenant requires interest cover of at least 170 per cent. and is tested quarterly on each interest payment date (such dates as detailed above). The LTV Covenant requires that the loan to value should not at any time exceed 70 per cent. The LTV Covenant may be tested at any time during the term of the Baljean Loan. Should there be a breach of the LTV Covenant, Baljean has two opportunities during the life of the Baljean Facility Agreement to remedy such breach. Baljean may only utilise the remedy provisions once in each 12 month period. Any breach of the LTV Covenant (which is not remedied), and any breach of the ICR Covenant is an event of default under the Baljean Facility Agreement.

In addition to the events of default arising from a breach of the LTV Covenant or the ICR Covenant, the Baljean Facility Agreement includes other various events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of Baljean, SPV 1 and the Company. An event of default which is continuing would entitle Barclays to:

- (a) cancel all or any part of the total commitments under the Baljean Loan; and/or
- (b) declare that all or part of the amounts outstanding under the Finance Documents are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand.

The Baljean Facility Agreement is governed by English law.



## 12.7 Sonoma SPA

SPV 6 and Lik Fung Limited entered into the Sonoma SPA on 4 April 2014. Pursuant to the Sonoma SPA, SPV 6 acquired the entire issued share capital of Sonoma ("**Sonoma Shares**"). SPV 6 acquired the Sonoma Shares for consideration of £27.2 million, as adjusted pursuant to clause 6 of the Sonoma SPA.

Sonoma's assets include, *inter alia*, title to Tesco Didcot Big Box.

The parties agreed that SPV 6 was responsible for the remediation of contamination or pollution at, in, or under, or from Tesco Didcot Big Box as may be necessary or desirable. From the date of the Sonoma SPA, Tesco Didcot Big Box is at SPV 6's risk.

## 12.8 Sonoma Facility Agreement

Pursuant to the Sonoma Facility Agreement dated 3 June 2014 between (*inter alium*) Sonoma, SPV 6, Barclays and the financial lenders listed therein (the "**Lenders**"), the Lenders made available to Sonoma an investment term loan facility of £12.24 million (the "**Sonoma Loan**").

The Sonoma Loan can only be used for:

- (a) the repayment of the outstanding facility under the intra-group loan agreement dated 4 April 2014 between Sonoma and the Company (the "**Sonoma Intra-Group Loan Agreement**"); and
- (b) paying costs and expenses incurred in connection with the Sonoma Intra-Group Loan Agreement.

Sonoma may borrow the Sonoma Loan in full, in one amount, in the period from and including the date of the Sonoma Facility Agreement to and including the date falling 60 days from the date of the Sonoma Facility Agreement (the "**Availability Period**") by giving Barclays a duly completed request. The date on which the loan is borrowed (the "**Utilisation Date**") must fall within the Availability Period. Any undrawn commitment under the Sonoma Loan will be automatically cancelled at close of business on the last day of the Availability Period.

Sonoma must repay the outstanding amount of the Sonoma Loan, together with all other amounts due under the Finance Documents (as defined therein), in full to the relevant parties on the later of:

- (a) the date falling 4 years from the Utilisation Date; and
- (b) the date the facility (or part thereof) is extended,

(the "**Final Maturity Date**").

There is the potential to extend the term of the facility to a maximum of 5 years. Sonoma must request an extension and each Lender is free to decide in its sole discretion whether to agree to such request.

The rate of interest on the Sonoma Loan for each interest period is the percentage rate per annum equal to the aggregate of the applicable: (a) Margin; and (b) LIBOR (both as defined in the Sonoma Facility Agreement). The Margin is variable depending on the loan to value covenant calculation, and ranges from 1.85 per cent. to 2.25 per cent. per annum. The interest payment dates are 31 January, 30 April, 31 July, 31 October and the Final Maturity Date, with the first interest payment date being 31 July 2014.



The Sonoma Loan is secured by:

- (a) a first ranking debenture from Sonoma over all of the business and assets of Sonoma, including Tesco Didcot Big Box; and
- (b) a first ranking BVI law share charge from SPV 6 over all of the issued shares in Sonoma.

The Sonoma Facility Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets; and
- (b) restrictions on the disposal of assets.

The Sonoma Facility Agreement includes both a loan to value covenant ("**LTV Covenant**") and an interest cover covenant ("**ICR Covenant**"). The ICR Covenant requires interest cover of at least 275 per cent. and is tested quarterly on each interest payment date (such dates as detailed above). The LTV Covenant requires that the loan to value should not at any time exceed 70 per cent. The LTV Covenant may be tested at any time during the term of the Sonoma Loan. Should there be a breach of the LTV Covenant, Sonoma has two opportunities during the life of the Sonoma Facility Agreement to remedy such breach. Sonoma may only utilise the remedy provisions once in each 12 month period. Any breach of the LTV Covenant (which is not remedied), and any breach of the ICR Covenant is an event of default under the Sonoma Facility Agreement.

In addition to the events of default arising from a breach of the LTV Covenant or the ICR Covenant, the Sonoma Facility Agreement includes other various events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of Sonoma, SPV 6 and the Company. An event of default which is continuing would entitle Barclays to:

- (a) cancel all or any part of the total commitments under the Sonoma Loan; and/or
- (b) declare that all or part of the amounts outstanding are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand.

The Sonoma Facility Agreement is governed by English law.

#### 12.9 *Tesco Chesterfield Transfer Agreement*

Pursuant to the Tesco Chesterfield Transfer Agreement (being a completed Land Registry form TR1) dated 17 March 2014 between Perland (Barlborough) Limited ("**Perland**") and SPV 3, Perland transferred Tesco Chesterfield Big Box to SPV 3 for consideration of £28.64 million.

#### 12.10 *Morrisons Transfer Agreement*

Pursuant to the Morrisons Transfer Agreement (being a completed 999-year headlease) dated 24 June 2014 between Morrisons and Jersey SPV 4, Morrisons transferred Morrisons Big Box to Jersey SPV 4 for consideration of £97.8 million (and subsequently took an occupational lease back of Morrisons Big Box).

## 12.11 *Morrisons Facility Agreement*

Pursuant to the Morrisons Facility Agreement dated 18 June 2014 between (*inter alium*) Jersey SPV 4, SPV 3, SPV 4, Barclays and the financial lenders listed therein (the “**Lenders**”), the Lenders made available to Jersey SPV 4 an investment term loan facility of £65,290,000 (the “**Morrisons Loan**”).

Under the Morrisons Facility Agreement, the Lenders have made available to Jersey SPV 4 an investment term loan facility in two tranches as follows:

- (a) a tranche of £53,790,000 (“**Tranche A**”); and
- (b) a tranche of £11,500,000 (“**Tranche B**”).

Amounts borrowed the Morrisons Facility Agreement may only be used:

- (a) in respect of Tranche A, for:
  - (i) financing; and/or
  - (ii) refinancing,the purchase price of Morrisons Big Box and associated costs (other than the VAT incurred by Jersey SPV 4 on the purchase price); and
- (b) in respect of Tranche B, for financing the VAT incurred by Jersey SPV 4 on the purchase price for Morrisons Big Box.

Jersey SPV 4 may borrow each of Tranche A and Tranche B in full, in one amount, from and including the date of the Morrisons Facility Agreement to and including the date falling 60 days from the date of the Morrisons Facility Agreement (the “**Availability Period**”) by giving to Barclays a duly completed request. The date on which the loan is borrowed (the “**Utilisation Date**”) must fall within the Availability Period. Any undrawn commitment under the Morrisons Loan will be automatically cancelled at close of business on the last day of the Availability Period.

Jersey SPV 4 must repay the outstanding amount of Tranche A, together with all other amounts then due under the Finance Documents, in full to the relevant finance parties on:

- (a) the date falling five years from the date of the Morrison’s Facility Agreement;
  - (b) the date Tranche A (or part thereof) is extended to pursuant to clause 4.2.7; and/or
  - (c) the date Tranche A (or part thereof) is extended to pursuant to clause 4.2.9,
- (the “**Tranche A Final Maturity Date**”),

There is the potential to extend the term of the facility to a maximum of 7 years for Tranche A (by obtaining two 365 day extensions). Jersey SPV 4 must request an extension and each Lender is free to decide in its sole discretion whether to agree to such request.

Jersey SPV 4 must repay the outstanding amount of the Tranche B Loan on the date falling six months from the date of the Morrison’s Facility Agreement or in accordance with Clause 5.5 (Mandatory Prepayments – Recoverable VAT) if earlier (the “**Tranche B Final Maturity Date**”). Pursuant to Clause 5.5, Jersey SPV4 must procure that the Tranche B Loan is prepaid using amounts recovered from HMRC in respect of the VAT payable by the Borrower on the purchase price of the Morrisons Property.

The rate of interest on the Morrisons Loan for each interest period is the percentage rate per annum equal to the aggregate of the applicable: (a) Margin; and (b) LIBOR (both as defined in the Morrisons Facility Agreement). The Margin for Tranche A is variable depending on the loan to value covenant calculation and ranges from 1.50 per cent. to 1.75 per cent. per annum. The Margin for Tranche B is 3.50 per cent. per annum. The interest payment dates are 31 January, 30 April, 31 July and 31 October in each year, the Tranche A Final Maturity Date (in respect of Tranche A only) and the Tranche B Final Maturity Date (in respect of Tranche B only), with the first interest payment date being 31 July 2014 if the Utilisation Date has occurred before 31 July 2014, or 31 October 2014 if it has not.

Tranche A of the Morrisons Loan is secured by:

- (a) an English law first ranking debenture from Jersey SPV 4 over all of the business and assets of Jersey SPV 4, including Morrisons Big Box; and
- (b) a Jersey law security interest agreement over all of the shares in Jersey SPV 4 provided by SPV4.

Tranche B of the Morrisons Loan is secured by an English law first ranking debenture from SPV 3 over all of the business and assets of SPV 3, including Tesco Chesterfield Big Box.

The security provided in respect of Tranche B will be released on the date on which the Tranche B loan and any amounts required to be paid in connection with the Tranche B loan have been repaid in full.

The Morrisons Facility Agreement contains undertaking, representations and warranties customary for a loan facility of this nature, which are required to be made by each of Jersey SPV, SPV 4 and, prior to the Tranche B Discharge Date (as defined therein), SPV 3, including:

- (a) a negative pledge not to create or allow to exist any security interest on any of its assets; and
- (b) restrictions on the disposal of assets.

The Morrisons Facility Agreement includes both a loan to value covenant ("**LTV Covenant**") and an interest cover covenant ("**ICR Covenant**"). The ICR Covenant requires interest cover of at least 165 per cent. and is tested quarterly on each interest payment date (such dates as detailed above). The LTV Covenant requires that the loan to value should not at any time exceed 70 per cent. The LTV Covenant may be tested at any time during the term of the Morrisons Loan. Should there be a breach of the LTV Covenant, Jersey SPV 4 has two opportunities during the life of the Morrisons Facility Agreement to remedy such breach. Jersey SPV 4 may only utilise the remedy provisions once in each 12 month period. Any breach of the LTV Covenant (which is not remedied), and any breach of the ICR Covenant is an event of default under the Morrisons Facility Agreement.

In addition to the events of default arising from a breach of the LTV Covenant or the ICR Covenant, the Morrisons Facility Agreement includes other various events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of Jersey SPV 4, SPV 4 and, prior to the Tranche B Discharge Date (as defined therein), SPV 3. An event of default which is continuing would entitle Barclays to:

- (a) cancel all or any part of the total commitments under the Morrisons Loan; and/or

- (b) declare that all or part of the amounts outstanding under the Finance Documents are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand.

The Morrisons Facility Agreement is governed by English Law.

#### 12.12 *Next Transfer Agreement*

Pursuant to the Next Transfer Agreement (being a completed Land Registry form TR1) dated 17 June 2014 between SEB Investment GmbH and Jersey SPV 5, SEB Investment GmbH transferred Next Big Box to Jersey SPV 5 for consideration of £60 million.

#### 12.13 *Next Facility Agreement*

Pursuant to the Next Facility Agreement dated 10 June 2014 between (*inter alium*) SPV 5, Jersey SPV 5, Barclays and the financial lenders listed therein (the “**Lenders**”), the Lenders made available to Jersey SPV 5 an investment term loan facility of £16.43 million (the “**Next Loan**”).

The Next Loan can only be used for:

- (a) financing; and/or
- (b) refinancing,

of the purchase price of Next Big Box and associated costs.

Jersey SPV 5 may borrow the Next Loan in full, in one amount, in the period from and including the date of the Next Facility Agreement to and including the date falling 60 days from the date of the Next Facility Agreement (the “**Availability Period**”) by giving Barclays a duly completed request. The date on which the loan is borrowed (the “**Utilisation Date**”) must fall within the Availability Period. Any undrawn commitment under the Next Loan will be automatically cancelled at close of business on the last day of the Availability Period.

Jersey SPV 5 must repay the outstanding amount of the Next Loan, together with all other amounts due under the Finance Documents (as defined therein), in full to the relevant parties on the later of:

- (a) the date falling 4 years from the date of the Next Facility Agreement; and
  - (b) the date the facility (or part thereof) is extended,
- (the “**Final Maturity Date**”).

There is the potential to extend the term of the facility to a maximum of 5 years. Jersey SPV 5 must request an extension and each Lender is free to decide in its sole discretion whether to agree to such request.

The rate of interest on the Next Loan for each interest period is the percentage rate per annum equal to the aggregate of the applicable: (a) Margin; and (b) LIBOR (both as defined in the Next Facility Agreement). The Margin is variable depending on the loan to value covenant calculation and ranges from 1.75 per cent. to 2.00 per cent. per annum. The interest payment dates are 31 January, 30 April, 31 July, 31 October and the Final

Maturity Date, with the first interest payment date being 31 July 2014 if the Utilisation Date occurs before 31 July, or 31 October 2014 if it does not.

The Next Loan is secured by:

- (a) a first ranking debenture from Jersey SPV 5 over all of the business and assets of Jersey SPV 5, including the Next Big Box; and
- (b) a first ranking Jersey law security interest agreement from Jersey SPV 5 over all of the issued shares in Jersey SPV 5.

The Next Facility Agreement contains undertaking, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any of its assets; and
- (b) restrictions on the disposal of assets.

The Next Facility Agreement includes both a loan to value covenant ("**LTV Covenant**") and an interest cover covenant ("**ICR Covenant**"). The ICR Covenant requires interest cover of at least 395 per cent. and is tested quarterly on each interest payment date (such dates as detailed above). The LTV Covenant requires that the loan to value should not at any time exceed 70 per cent. The LTV Covenant may be tested at any time during the term of the Next Loan. Should there be a breach of the LTV Covenant, Jersey SPV 5 has two opportunities during the life of the Next Facility Agreement to remedy such breach. Jersey SPV 5 may only utilise the remedy provisions once in each 12 month period. Any breach of the LTV Covenant (which is not remedied), and any breach of the ICR Covenant is an event of default under the Next Facility Agreement.

In addition to the events of default arising from a breach of the LTV Covenant or the ICR Covenant, the Next Facility Agreement includes other various events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of SPV 5, Jersey SPV 5 and the Company. An event of default which is continuing would entitle Barclays to:

- (a) cancel all or any part of the total commitments under the Next Loan; and/or
- (b) declare that all or part of the amounts outstanding under the Finance Documents are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand.

The Next Facility Agreement is governed by English Law.

#### 12.14 *SFM Placing Agreement*

Pursuant to the SFM Placing Agreement dated 18 November 2013 between the Company, the Manager, the Investment Adviser, the Directors, Jefferies and Akur, and subject to certain conditions, Jefferies agreed to use its reasonable endeavours to procure subscribers for up to 200 million Ordinary Shares at an issue price of 100 pence per Ordinary Share. In addition, under the Placing Agreement, Akur was appointed as joint financial adviser and Jefferies was appointed as joint financial adviser, sole global coordinator, bookrunner, placing agent and arranger in connection with the proposed applications for the IPO and the associated placing and offer for subscription.

The SFM Placing Agreement is on equivalent terms to the Placing Agreement (except that it does not refer to any share issuance programme and that the Directors are not party to the Placing Agreement), including those provisions relating to termination, the parties' obligations, conditions, warranties, indemnities and governing law.

#### 12.15 *Depositary Agreement*

Pursuant to the Depositary Agreement dated 20 May 2014 between the alternative investment funds (set out therein) (the "**AIFs**"), the Manager and Langhall UK LLP (the "**Depositary**"), the Depositary shall act as the sole depositary of the AIFs and shall be responsible for:

- (a) ensuring the AIFs' cash flows are properly monitored;
- (b) the safe keeping of Scheme Property (as defined therein) entrusted to it (which it shall hold on trust for the AIFs) by the AIFs and/or the Manager acting on behalf of the AIFs; and
- (c) the oversight and supervision of the Manager and the AIFs.

The duties and obligations of the Depositary under the Depositary Agreement shall be construed in accordance with all laws, rules and regulations applicable from time to time, including, the Alternative Investment Fund Managers' Directive (2001/61/EU), FSMA and the FCA Handbook (the "**Applicable Provisions**"). Under the Depositary Agreement, the Manager and AIFs are responsible for providing the Depositary with information required by the Depositary to carry out its duties.

Subject to the Applicable Provisions, each AIF indemnifies the Depositary, its officers, agents and employees (each an "**Indemnified Person**") against any liability or loss suffered or incurred by an Indemnified Person as a result or in connection with the proper provision of services under the agreement except as a result of negligence, fraud, wilful misconduct or breach of this agreement on the part of the Indemnified Person.

Pursuant to the Depositary Agreement, the Depositary warrants (amongst other things) that it is and will remain an approved depositary.

In consideration of its services the Depositary is entitled to receive from the AIFs periodic remuneration which includes, amongst other things, an annual fee of £44,000.

The Depositary Agreement is governed by English law.

#### 12.16 *Administration Agreement*

The Company and the Administrator entered into the Administration Agreement on 18 November 2013, pursuant to which the Administrator agreed to act as administrator to the Company.

Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee of £54,000 per annum (exclusive of VAT) for the twelve months from 9 December 2013 and £4,500 per month (exclusive of VAT) thereafter. The Administration Agreement may be terminated by either party by giving the other not less than 3 months' notice.

The Administration Agreement also contains a provision whereby the Company indemnifies the Administrator and its affiliates against any losses incurred resulting from



the Company's breach, save when due to fraud, negligence or wilful default of the Administrator or its affiliates.

The Administration Agreement is governed by the laws of England and Wales.

#### 12.17 *Registrar Agreement*

The Company and the Registrar entered into the Registrar Agreement on 18 November 2013, pursuant to which the Company appointed the Registrar to act as registrar of the Company for an annual fee payable by the Company of £22,500 in respect of basic registration services. The Registrar is entitled to increase the fees annually at the rate of the Retail Prices Index prevailing at that time. The Registrar is also entitled increase the fees exceeding the Retail Prices Index, but in such event, the Registrar shall give 20 Business Days' written notice to the Company and the said revised fees shall apply from the expiry of such notice, however in the event that the Company objects to such increase within the 20 Business Days' period, it will have the right to terminate the Registrar Agreement. The Registrar Agreement may be terminated by either the Company or the Registrar giving to the other not less than 3 months' written notice.

The Registrar Agreement is governed by the laws of England and Wales.

#### 12.18 *Receiving Agent Agreement*

The Company and the Receiving Agent entered into the Receiving Agent Agreement on 7 July 2014, pursuant to which the Receiving Agent has agreed to provide receiving agent duties and services to the Company in respect of the Issue and the Share Issuance Programme. Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to the following fees:

- (a) a professional advisory fee with a minimum charge of £3,000.00;
- (b) a processing fee for the Open Offer with a minimum charge of £5,000.00 (excluding VAT and disbursements);
- (c) a processing fee for the Offer for Subscription with a minimum charge of £5,000.00 (excluding VAT and disbursements); and
- (d) a proxy evaluation fee consisting of a £1,700.00 management fee and a fee of £1.35 per personalised form of proxy and £2.45 per non-personalised form of proxy received plus £0.19 for each additional resolution subject to a minimum aggregate charge of £250 (excluding VAT and disbursements).

The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses reasonably incurred by it in connection with its duties. These fees will be for the account of the Company.

The Receiving Agent Agreement also contains a provision whereby the Company indemnifies the Receiving Agent against any loss, liability or reasonable expense resulting from the Company's breach of the Receiving Agent Agreement or any third party claims in connection with the provision of the Receiving Agent's services under the Receiving Agent Agreement, save where due to the negligence, fraud or wilful default on the part of the Receiving Agent and its agents.

The Receiving Agent Agreement is governed by the laws of England and Wales.



#### 12.19 *Company Secretarial Agreement*

The Company and the Company Secretary entered into the Company Secretarial Agreement on 18 November 2013, which became unconditional on 9 December 2013. Pursuant to the Company Secretarial Agreement, the Company Secretary provides company secretarial services and acts as the company secretary of the Company for an annual fee payable by the Company of £25,000, which is reviewable annually. The Company may at any time without prior notice terminate the Company Secretarial Agreement.

The Company Secretarial Agreement is governed by the laws of England and Wales.

#### 12.20 *Instructions for valuation*

The Manager instructed CBRE to provide valuation services in November 2013 on an ongoing basis. Pursuant to the terms of engagement, the fees are currently agreed as being £10,000, to cover the initial valuation report on each new purchase, £25,000 for each secured lending valuation for banks, and an annual fee of 0.025 per cent. of the value of the portfolio reported up to £750 million, tapering down to 0.015 per cent. above £750 million. This agreement may be terminated at any time.

The terms of engagement are governed by the laws of England and Wales.

#### 12.21 *Rent Collection Agreement*

The Manager entered into the Rent Collection Agreement with Smiths Gore on 2 March 2010, pursuant to which Smiths Gore provides rent invoicing and collection services. The Manager retains oversight of these functions. An annual fee of £18,820 is payable by the Manager. The Company has given notice to terminate the agreement and is in negotiations with a replacement provider.

The Rent Collection Agreement is governed by the laws of England and Wales.

### 13. **RELATED PARTY TRANSACTIONS**

Save for the entry into the Property Management and Services Agreement, the Investment Advisory Agreement and the Investment Management Agreement, the Company has not entered into any related party transaction at any time during the period from incorporation to the date of this Registration Document.

Pursuant to the Investment Management Agreement, the Manager provides the Company with property management services for which the Manager receives a management fee.

Four of the designated members of the Manager and the Investment Adviser, namely Mark Shaw, Colin Godfrey, James Dunlop and Henry Franklin, are also partners of SG Commercial. SG Commercial provides general property agency services. While there are currently no existing contractual arrangements between the Company and SG Commercial, the Company may choose to appoint SG Commercial in the future from time to time on either a sole or joint basis. Any such appointment shall be made on normal market based contractual terms, on an arm's length basis. In the event any such appointment is proposed by the Manager, the Board shall be consulted and asked for its approval. Mark Shaw shall not vote at any meeting of the Board relating to contractual terms to be agreed between the Company and SG Commercial, nor with respect to any investment decision where SG Commercial is acting as agent in any capacity.

#### **14. LEGAL AND ARBITRATION PROCEEDINGS**

There have been no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company and/or the REIT Group's financial position or profitability.

#### **15. NO SIGNIFICANT CHANGE**

Save to the extent disclosed below, there has been no significant change in the financial or trading position of the REIT Group since 31 May 2014, being the date to which the REIT Group's audited financial information was published:

- (a) on 4 June 2014, the Company issued 19,980,000 new Ordinary Shares at a price of 104 pence per Ordinary Share, raising gross proceeds of £20.8 million;
- (b) on 17 June 2014, Jersey SPV 5 acquired the freehold for Next Big Box for a purchase price of £60 million (net of acquisition costs);
- (c) on 17 June 2014, Barclays made available to the REIT Group an investment term loan facility of £16.43 million, secured by (amongst other things) Next Big Box;
- (d) on 24 June 2014, Jersey SPV 4 acquired a 999 year lease on Morrisons Big Box for a purchase price of £97.3 million (net of acquisition costs);
- (e) on 18 June 2014, Barclays made available to the REIT Group an investment term loan facility of £65.3 million, secured by (amongst other things) Morrisons Big Box; and
- (f) the first interim dividend of 1.85 pence per Ordinary Share was today declared in relation to the period from the IPO to 30 June 2014.

#### **16. THIRD PARTY INFORMATION**

Where information has been referenced in this Registration Document, the source of that third party information has been disclosed. All information contained in this Registration Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### **17. CONSENTS**

- 17.1 The Manager of Aberdeen House, South Road, Haywards Heath, West Sussex RH16 4NG has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name and the manager's statements in the form and context in which they are included and has authorised the contents of the Manager's Statements for the purposes of the Prospectus Rules 5.5.3R(2)(f). The Manager is a UK limited liability partnership registered in England and Wales (with registered number 0C326500).
- 17.2 CBRE of Henrietta House, Henrietta Place, London W1G 0NG has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name and the valuation report in Part 8 of this Registration Document in the form and context in which they appear and has authorised the contents of the report for the purposes of the Prospectus Rules 5.5.3R(2)(f). CBRE accepts responsibility for the

valuation report in Part 8 of this Registration Document. To the best of the knowledge and belief of CBRE (who has taken all reasonable care to ensure that such is the case), the information contained in the Valuation Report in Part 8 of this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. CBRE was incorporated in England and Wales on 27 March 1998 under the Companies Act 1985 (with registered number 03536032).

- 17.3 BDO LLP of 55 Baker Street, London W1U 7EU is the auditor and reporting accountant for the REIT Group and has been the only auditor of the Company since its incorporation. BDO LLP has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name, of its accountant's report relating to historical information in Section A of Part 6 and of its accountant's report relating to pro forma financial information in Section B of Part 7, in the form and context in which they are included and has authorised the contents of these reports for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules. BDO LLP is a UK limited liability partnership registered in England and Wales (with registered number OC305127) and is a member of the Institute of Chartered Accountants of England and Wales.

## **18. PROFESSIONAL INDEMNITY INSURANCE**

In order to comply with the FCA requirements on professional liability risk, the Manager agreed an AIFMD endorsement dated 22 January 2014 to its current Professional Indemnity and Directors and Officers policy underwritten by Chubb Insurance Company of Europe SE (FRN: 481725).

## **19. LIQUIDITY MANAGEMENT**

- 19.1 Liquidity for the Company is available through sale or transfer in the "secondary market". The Manager monitors the value and trading market of the Company shares, share issuances and share sales, investor return and significant investors.
- 19.2 The Manager regularly conducts stress tests, under normal and exceptional liquidity conditions, which enables it to assess the leverage risk of the Company. The stress tests:
- (a) are conducted on a quarterly basis in conjunction with roll-over dates under the bank finance;
  - (b) where appropriate, simulate a shortage of liquidity of the assets in the Company and atypical redemption requests;
  - (c) cover market risks and any resulting impact, including on margin calls, collateral requirements or credit lines;
  - (d) account for valuation sensitivities under stressed conditions; and
  - (e) are conducted at a frequency which is appropriate to the nature of the Company, taking in to account the investment strategy, liquidity profile, type of investor and redemption policy of the Company, and at least once a year.
- 19.3 The Manager collates and reports to lending banks certain information, including rent collection, cash at bank as against interest cost (interest cover test) and a loan to value test (being revised loan value against the latest market value).
- 19.4 In the event that the Manager becomes aware of a fact or circumstance which may or will result in a breach of any of the above tests then the Manager will report such matter to the

bank and agree with the bank a suitable strategy to correct the breach. The Manager will then advise investors of such breach and the agreed strategy in its next report to investors.

## **20. GENERAL**

20.1 The accounting reference date of the Company is 31 December.

20.2 At close of business on the business day prior to Admission, the Admission of the Ordinary Shares to trading on the Specialist Fund Market will be cancelled and the CISEA De-Listing will take place as soon as possible thereafter.

## **21. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Registration Document up to and including the date of Admission:

- (a) the Articles;
- (b) this Registration Document, the Summary and the Securities Note; and
- (c) the letters referred to in paragraph 17 of this Part 9.

Dated 8 July 2014

## PART 10

### DEFINED TERMS

<b>“Administration Agreement”</b>	the administration agreement dated 18 November 2013 between the Company and the Administrator, as detailed in paragraph 12.16 of Part 9 of this Registration Document;
<b>“Administrator”</b>	Capita Sinclair Henderson Limited;
<b>“Admission”</b>	the admission of the entire issued and to be issued share capital of the Company to the Official List and to trading on the London Stock Exchange’s main market for listed securities becoming effective;
<b>“AIF”</b>	an alternative investment fund within the meaning of AIFMD;
<b>“AIFM”</b>	an alternative investment fund manager within the meaning of AIFMD;
<b>“AIFMD”</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers;
<b>“Akur”</b>	Akur Limited (company number 07366922);
<b>“Articles”</b>	the articles of association of the Company adopted by special resolution dated 18 November 2013 (and as amended, conditional upon Admission, by a special resolution of the Company on 25 July 2014);
<b>“Auditor”</b>	BDO LLP (partnership number OC305127);
<b>“Baljean”</b>	Baljean Properties Limited (Isle of Man registered number 005393V);
<b>“Baljean Facility Agreement”</b>	the facility agreement dated 3 June 2014 between ( <i>inter alium</i> ) Baljean, SPV 1, Barclays and the financial lenders listed therein;
<b>“Baljean SPA”</b>	the share purchase agreement dated 13 December 2013 between SPV 1 and Great Ventures Holdings Invest Inc.;
<b>“Barclays” or “Barclays Bank”</b>	Barclays Bank PLC (company number 01026167);
<b>“Big Box”</b>	a “Big Box” property or asset refers to a specific sub-segment of the logistics sector of the real-estate market, relating to very large logistics warehouses (each with typically over 500,000 sq. ft. of floor area) with the primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers, and typically having the following characteristics: generally a modern constructed building with eaves height exceeding 12 metres; let on long leases with institutional-grade tenants; with regular, upward only rental reviews; having a prime geographical position to allow both efficient stocking (generally with close links to sea

	ports or rail freight hubs) and efficient downstream distribution; and typically with sophisticated automation systems or a highly bespoke fit out;
<b>“Board”</b>	the directors of the Company from time to time;
<b>“Business Day”</b>	a day other than Saturday, Sunday or other day when banks in the City of London, England are not generally open for business;
<b>“Capita” or “Capita Asset Services”</b>	a trading name of Capita Registrars Limited (company number 2605568);
<b>“CBRE”</b>	CBRE Limited (company number 03536032);
<b>“CISEA”</b>	the Channel Islands Securities Exchange Authority Limited or any successor entity or entities;
<b>“CISEA De-Listing”</b>	the de-listing of the Ordinary Shares and the Company from the Official List of the CISEA;
<b>“City Code”</b>	the City Code on Takeovers and Mergers;
<b>“Companies Act”</b>	the Companies Act 2006, as amended from time to time;
<b>“Company”</b>	Tritax Big Box REIT plc (company number 8215888);
<b>“Company Secretarial Agreement”</b>	the company secretarial agreement dated 18 November 2013 the Company and the Company Secretary, as further detailed in paragraph 12.19 of Part 9 of this Registration Document;
<b>“Company Secretary”</b>	Taylor Wessing Secretaries Limited (company number 04328885);
<b>“CPI”</b>	consumer price index, a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care as calculated on a monthly basis by the Office of National Statistics;
<b>“Corporate Governance Code”</b>	the revised UK Corporate Governance Code (formerly the Combined Code) containing the principles of good Corporate Governance and Code of Best Practice published in September 2012 by the Financial Reporting Council;
<b>“CREST Regulations”</b>	Uncertificated Securities Regulations 2001 (SI No. 2001/3755);
<b>“CTA 2010”</b>	Corporation Tax Act 2010 and any statutory modification or re enactment thereof for the time being in force;
<b>“Depository Agreement”</b>	the depository agreement dated 20 May 2014 between the alternative investment funds (set out therein), the Manager and Langhall UK LLP;

<b>“Directors”</b>	the directors of the Company as of the date of this Registration Document, being Richard Jewson, Jim Prower, Mark Shaw and Stephen Smith;
<b>“Disclosure and Transparency Rules”</b>	the disclosure and transparency rules made by the FCA under Section 73A of FSMA;
<b>“EPRA”</b>	European Public Real Estate Association;
<b>“Ekistics Unit Sale Agreement”</b>	the unit sale agreement dated 11 December 2013 between SPV 2, SPV 2 Ltd, Ekistics Property Holding Company 1 Limited, Ekistics Property Holding Company 2 Limited and The Ekistics Property Investors 1 LP;
<b>“ERISA”</b>	the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time;
<b>“EU”</b>	the European Union;
<b>“FATCA”</b>	the U.S. Foreign Account Tax Compliance Act;
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority (or any successor entity or entities) and, where applicable, the entity acting as the competent authority for the purposes of Admission;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended from time to time;
<b>“FTSE Tenant”</b>	any tenant which is, or whose parent company is, at the time of investment, included in the FTSE 350 or within the top 350 companies included in any non-UK index which is, in the reasonable opinion of the Board, comparable to FTSE;
<b>“Future Securities Note”</b>	a securities note to be issued in the future by the company in respect of each issue, if any, of Ordinary Shares (other than the issue made upon Admission) made pursuant to this Registration Document and subject to separate approval by the FCA;
<b>“Future Summary”</b>	a summary to be issued in the future by the company in respect of each issue, if any, of Ordinary Shares (other than the issue made upon Admission) made pursuant to this Registration Document and subject to separate approval by the FCA;
<b>“General Meeting”</b>	the general meeting of the Company to be held at 10.00 a.m. on 25 July 2014 at the offices of Taylor Wessing at 5 New Street Square, London EC4A 3TW;
<b>“HGV”</b>	heavy goods vehicle;
<b>“HMRC”</b>	HM Revenue and Customs;
<b>“IFRS”</b>	International Financial Reporting Standards as adopted by the European Union;



<b>“Institutional-Grade Tenants”</b>	tenants of sufficient size and stature that they merit attention by large national or international investors;
<b>“Investment Adviser”</b>	Tritax Securities LLP (partnership number OC326501);
<b>“Investment Advisory Agreement”</b>	the investment advisory agreement dated 18 November 2013 between the Company and the Investment Adviser, which was terminated by a deed of termination effective 2 July 2014;
<b>“Investment Company Act”</b>	the US Investment Company Act of 1940, as amended from time to time;
<b>“Investment Management Agreement”</b>	the investment management agreement dated 2 July 2014 between the Company and the Manager as amended or supplemented from time to time;
<b>“Investment Objective”</b>	the investment objective of the Company as detailed in paragraph 7 of Part 1 of this Registration Document;
<b>“Investment Policy”</b>	the investment policy of the Company as detailed in paragraph 8 of Part 1 of this Registration Document;
<b>“Investment Team”</b>	the investment team for the REIT Group as at the date of this Registration Document, comprising Mark Shaw, Colin Godfrey, James Dunlop, Henry Franklin and Petrina Austin, who manage the Company through the Manager and whose biographies are set out in paragraph 2.2 of Part 4 of this Registration Document;
<b>“IPO”</b>	the admission of the share capital of the Company to trading on the Specialist Fund Market and on the CISEA and to listing on the CISEA on 9 December 2013;
<b>“IRR”</b>	internal rate of return;
<b>“ISA”</b>	individual savings account;
<b>“Issue”</b>	the Placing, Open Offer and Offer for Subscription;
<b>“Issue Price”</b>	103 pence per Ordinary Share;
<b>“Jefferies”</b>	Jefferies International Limited (company number 01978621);
<b>“Jersey SPV 4”</b>	Tritax Acquisition 4 Limited (Jersey registered number 115825);
<b>“Jersey SPV 5”</b>	Tritax Acquisition 5 Limited (Jersey registered number 115826);
<b>“Joint Financial Advisers”</b>	Akur and Jefferies (acting in their capacity as joint financial advisers to the Company);
<b>“LIBOR”</b>	London Interbank Offered Rate;
<b>“Listing Rules”</b>	the listing rules made by the UK Listing Authority under section 73A of the FSMA;

<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Marks &amp; Spencer”</b>	Marks and Spencer Group plc (company number 4256886);
<b>“M&amp;S Big Box”</b>	the freehold property known as Unit 2, East Midland Distribution Centre, Castle Donnington, Leicestershire;
<b>“Manager”</b>	Tritax Management LLP (partnership number OC326500);
<b>“Manager’s Statements”</b>	the statements contained in this Registration Document which begin with or contain the words “the Manager believes”, “the Manager anticipates”, “the Manager expects”, “the Manager’s belief”, “the Manager’s view”, “the Manager intends”, “the belief of the Manager”, “the opinion of the Manager”, “the Manager’s opinion” or “the intention of the Manager” or other variations or comparable terminology;
<b>“Member States”</b>	those states which are members of the EU from time to time;
<b>“Model Code”</b>	the Model Code for directors’ dealings contained in Chapter 9 of the Listing Rules of the UKLA;
<b>“Morrisons”</b>	Wm Morrisons Supermarkets plc (company number 00358949);
<b>“Morrisons Big Box”</b>	the 999 year lease on the property being a distribution warehouse facility known as Morrisons South East Regional Distribution Centre, Sittingbourne, Kent ME10 2FD;
<b>“Morrisons Facility Agreement”</b>	the facility agreement dated 18 June 2014 between ( <i>inter alium</i> ) SPV 4, Jersey SPV 4, Barclays and the financial lenders listed therein;
<b>“Morrisons Transfer Agreement”</b>	the completed 999-year headlease dated 24 June 2014 between Morrisons and SPV 4;
<b>“Next”</b>	Next Group plc (company number 00035161);
<b>“Next Big Box”</b>	the freehold property being a distribution warehouse and ancillary office accommodation known as next Distribution Centre, West moor Park, Doncaster, South Yorkshire DN3 3FF;
<b>“Next Facility Agreement”</b>	the facility agreement dated 17 June 2014 between ( <i>inter alium</i> ) SPV 5, Jersey SPV 5, Barclays and the financial lenders listed therein;
<b>“Next Transfer Agreement”</b>	the completed Land Registry form TR1 dated 17 June 2014 between SEB Investment GmbH and SPV 5;
<b>“NAV” or “Net Asset Value”</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time;
<b>“Net Initial Yield”</b>	the annual rent from a property divided by the combined total of its acquisition price and expenses (which include, among

	other factors, legal fees, surveys, debt breakage costs and any applicable SDLT);
<b>“Non-PID Dividend”</b>	a dividend received by a shareholder of the principal company that is not a PID;
<b>“Non-Qualified Holder”</b>	has the meaning ascribed to it in paragraph 7.5(c) of Part 9 of this Registration Document;
<b>“Offer for Subscription”</b>	the offer for subscription of Shares at the Issue Price on the terms set out in the Summary and the Securities Note;
<b>“Official List”</b>	the official list maintained by the FCA;
<b>“Open Offer”</b>	the offer to Qualifying Shareholders, constituting an invitation to apply for Ordinary Shares under the Issue, on the terms and subject to the conditions set out in the Summary and the Securities Note and in the case of Qualifying Non- CREST Shareholders only, the Open Offer Application Form;
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company;
<b>“Overseas Shareholders”</b>	save as otherwise determined by the Directors, Shareholders who are resident in, or citizens, residents or nationals of, jurisdictions other than the United Kingdom;
<b>“PID” or “Property Income Distribution”</b>	a dividend received by a shareholder of the principal company in respect of profits and gains of the Property Rental Business of the UK resident members of the REIT Group or in respect of the profits or gains of a non-UK resident member of the REIT Group insofar as they derive from their UK Property Rental Business;
<b>“Placing”</b>	the conditional placing of Ordinary Shares by Jefferies at the Issue Price as described in, and on the terms set out in, the Summary and the Securities Note;
<b>“Placing Agreement”</b>	the Placing Agreement between the Company, the Manager, Jefferies and Akur, a summary of which is set out in paragraph 12.1 of Part 9 of this Registration Document;
<b>“Portfolio”</b>	the investment portfolio of the Company, as set out in Part 2 of this Registration Document;
<b>“Property Management and Services Agreement”</b>	the property management and services agreement dated 18 November 2013 between the Company and the Manager, which was replaced in its entirety by the Investment Management Agreement effective 2 July 2014;
<b>“Property Rental Business”</b>	the qualifying property rental business in the UK and elsewhere of UK resident companies within a REIT and non-UK resident companies within a REIT with a UK qualifying property rental business;
<b>“Prospectus Directive”</b>	the EU Prospectus Directive 2003/71/EC;

<b>“Prospectus Rules”</b>	the prospectus rules made by the FCA under Section 73A of FSMA;
<b>“Qualifying Property Rental Business”</b>	a qualifying rental business fulfilling the conditions in section 529 of the Corporation Tax Act 2010;
<b>“Qualified Purchaser”</b>	has the meaning given to it in section 2(a)(51) of the Investment Company Act and the rules thereunder;
<b>“Receiving Agent”</b>	Capita Asset Services, in its capacity as the Company’s receiving agent, pursuant to the Receiving Agent Agreement;
<b>“Receiving Agent Agreement”</b>	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 12.18 of Part 9 of this Registration Document;
<b>“Rent Collection Agreement”</b>	the rent collection agreement between the Manager and Smiths Gore dated 2 March 2010;
<b>“Registrar”</b>	Capita Asset Services, in its capacity as the Company’s registrar, pursuant to the Registrar Agreement;
<b>“Registrar Agreement”</b>	the registrar agreement dated 18 November 2013 between the Company and the Registrar, a summary of which is set out in paragraph 12.17 of Part 9 of this Registration Document;
<b>“Registration Document”</b>	this registration document;
<b>“Relevant Member State”</b>	a member state of the European Economic Area which has implemented the Prospectus Directive;
<b>“Regulation S”</b>	Regulation S promulgated under the Securities Act;
<b>“REIT”</b>	a real estate investment trust to which Part 12 of the Corporation Tax Act 2010 applies;
<b>“REIT Group”</b>	the Company, SPV 1, SPV 2, SPV 2 Ltd, SPV 3, SPV 4, SPV 5, SPV6, Jersey SPV 4, Jersey SPV 5, Jersey SPV 6, Baljean, Sonoma and any other company which is eligible to be treated as a member of the same group (for the purposes of section 606 of the Corporation Tax Act 2010) as the Company;
<b>“Relevant Member State”</b>	a member state of the European Economic Area which has implemented the Prospectus Directive;
<b>“RIS” or “Regulatory Information Service”</b>	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange;
<b>“RPI”</b>	retail price index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated on a monthly basis by the Office of National Statistics;
<b>“Residual Business”</b>	residual business as defined in Part 5 of this Registration Document;

<b>“Sainsbury’s”</b>	Sainsbury’s Supermarkets Limited (company number NF003339);
<b>“Sainsbury’s Big Box”</b>	the property known as Sainsbury’s RD, Bishopsdyke Road, Sherburn-in-Elmet, Leeds LS25 6LH;
<b>“Sainsbury’s Facility Agreement”</b>	the facility agreement dated 9 April 2014 between Sherburn Trustee One Limited and Sherburn Trustee Two Limited acting in their capacities as trustees of the Sherburn RDC Unit Trust, SPV 2, SPV 2 Ltd, Barclays and the financial lenders listed therein;
<b>“SDLT”</b>	stamp duty land tax;
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended from time to time;
<b>“Securities Note”</b>	the securities note dated 8 July 2014 issued by the Company in respect of the Ordinary Shares made available pursuant to this Registration Document and approved by the FCA;
<b>“SFM Placing Agreement”</b>	the placing agreement dated 18 November 2013 between the Company, the Manager, the Investment Adviser, the Directors, Jefferies and Akur;
<b>“SG Commercial”</b>	SG Commercial LLP (partnership number OC326498);
<b>“Share Issuance Programme”</b>	the programme under which the Company intends to issue Ordinary Shares in Tranches on the terms set out in the Summary and the Securities Note (and any Future Summary and Future Securities Note);
<b>“Shareholders”</b>	the holders of Ordinary Shares;
<b>“Sherburn”</b>	Sherburn Trustee One Limited (Jersey registered number 114540) and Sherburn Trustee Two Limited (Jersey registered number 114541) as joint trustees of the Sherburn RDC Unit Trust;
<b>“Sonoma”</b>	Sonoma Ventures Limited (British Virgin Islands registered number 1637663);
<b>“Sonoma Facility Agreement”</b>	the facility agreement dated 3 June 104 between ( <i>inter alium</i> ) Sonoma, SPV 6, Barclays and the financial lenders listed therein;
<b>“Sonoma SPA”</b>	the share purchase agreement dated 4 April 2014 between SPV 6 and Lik Fung Limited;
<b>“Specialist Fund Market”</b>	the Specialist Fund Market of the London Stock Exchange;
<b>“SPV 1”</b>	Tritax Acquisition 1 Limited (Jersey registered number 111687), a wholly owned subsidiary of the Company;
<b>“SPV 2”</b>	Tritax REIT Acquisition 2 Limited (Jersey registered number 114528), a wholly owned subsidiary of the Company;

<b>“SPV 2 Ltd”</b>	Tritax Acquisition 2 (SPV) Limited (Jersey registered number 114529), a wholly owned subsidiary of the Company;
<b>“SPV 3”</b>	Tritax REIT Acquisition 3 Limited (company number 8215014), a wholly owned subsidiary of the Company;
<b>“SPV 4”</b>	Tritax REIT Acquisition 4 Limited (company number 8214556), a wholly owned subsidiary of the Company;
<b>“SPV 5”</b>	Tritax REIT Acquisition 5 Limited (company number 8214551), a wholly owned subsidiary of the Company;
<b>“SPV 6”</b>	Tritax Acquisition 6 Limited (Jersey registered number 115305), a wholly owned subsidiary of the Company;
<b>“sq. ft.”</b>	square foot;
<b>“Substantial Shareholder”</b>	a substantial shareholder as defined in paragraph 7.14 of Part 9 of this Registration Document;
<b>“Substantial Shareholding”</b>	a substantial shareholding as defined in paragraph 7.14 of Part 9 of this Registration Document;
<b>“Summary”</b>	the summary dated 8 July 2014 issued by the Company pursuant to this Registration Document and the Securities Note and approved by the FCA;
<b>“Tax-Exempt Business”</b>	the Qualifying Property Rental Business of the REIT Group;
<b>“Tesco”</b>	Tesco Stores Limited (company number NF003406);
<b>“Tesco Chesterfield Big Box”</b>	the property known as Tesco Distribution Centre, Gander Land, Barlborough, Derbyshire S43 4PZ;
<b>“Tesco Chesterfield Transfer Agreement”</b>	the completed Land Registry form TR1 dated 17 March 2014 between Perland (Barlborough) Limited and SPV 3;
<b>“Tesco Didcot Big Box”</b>	the freehold property being a distribution warehouse with ancillary office accommodation known as the Tesco Distribution Centre, Southmead Industrial Estate, Didcot;
<b>“Total Expense Ratio”</b>	the ratio of the REIT Group’s total operating cash costs to its average net assets over the period;
<b>“Tritax Assets”</b>	Tritax Assets LLP (partnership number OC326499);
<b>“Tritax Group”</b>	the existing Tritax corporate entities, including Tritax Assets, the Manager and the associated companies and joint venture vehicles they have acquired (but excluding the REIT Group);
<b>“UK AIFMD Rules”</b>	the laws, rules and regulations implementing AIFMD in the UK, including without limitation the Alternative Investment Fund Managers Regulations 2013 and the Investment Funds sourcebook of the FCA;
<b>“UKLA” or “UK Listing Authority”</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;

<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“Units”</b>	the 1,843,988 ‘A’ Units and the 16,595,496 ‘B’ Units in the Unit Trust;
<b>“Unit Trust”</b>	the Sherburn RDC Unit Trust established in Jersey on 1 February 2011;
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction;
<b>“US CEA”</b>	the US Commodity Exchange Act of 1974, as amended;
<b>“US Exchange Act”</b>	the US Securities Exchange Act of 1934;
<b>“US Person”</b>	a “US Person” as defined in Regulation S of the Securities Act;
<b>“US Tax Code”</b>	the U.S. Internal Revenue Code of 1986, as amended from time to time; and
<b>“Valuation Report”</b>	the report setting out the valuation of the Portfolio dated 8 July 2014 produced by CBRE, as set out in Part 8 of this Registration Document.



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should immediately consult your independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This document comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to Tritax Big Box REIT plc (the "**Company**") and has been prepared in accordance with the Prospectus Rules made under section 84 of the FSMA. The Supplementary Prospectus does not contain or constitute an offer to sell or to issue any ordinary shares in the Company (the "**Ordinary Shares**") or the solicitation of an offer to buy or subscribe for Ordinary Shares. This Supplementary Prospectus has been approved by and filed with the Financial Conduct Authority (the "**FCA**") in accordance with the Prospectus Rules.

This Supplementary Prospectus is supplementary to, and must be read in conjunction with, the tripartite prospectus published by the Company on 8 July 2014 (the "**Prospectus**") published in connection with the placing, open offer and offer for subscription of up to 150 million Ordinary Shares and the Share Issuance Programme. Save as disclosed in this Supplementary Prospectus, no significant new factor, material mistake or inaccuracy relating to the information in the Prospectus has arisen or has been noted, as the case may be, since the publication of the Prospectus. To the extent that there is any inconsistency between a statement in this Supplementary Prospectus and a statement in the Prospectus, the statement in this Supplementary Prospectus shall prevail.

Capitalised terms contained in this Supplementary Prospectus shall have the meanings given to such terms in the Prospectus unless otherwise defined herein.

**PROSPECTIVE INVESTORS SHOULD READ THIS SUPPLEMENTARY PROSPECTUS AND THE PROSPECTUS, AND ANY DOCUMENT INCORPORATED IN THE PROSPECTUS AND THIS SUPPLEMENTARY PROSPECTUS BY REFERENCE, AS A WHOLE. IN PARTICULAR, PROSPECTIVE INVESTORS ARE ADVISED TO EXAMINE ALL THE RISKS THAT MIGHT BE RELEVANT IN CONNECTION WITH AN INVESTMENT AS SET OUT IN THE SECTION OF THE PROSPECTUS ENTITLED "RISK FACTORS".**

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## **TRITAX BIG BOX REIT PLC**

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 8215888  
and registered as an investment company under section 833 of the Companies Act 2006)*

### **SUPPLEMENTARY PROSPECTUS**

*Sponsor, Sole Global Coordinator and Bookrunner*

### **JEFFERIES INTERNATIONAL LIMITED**

*Joint Financial Advisers*

### **JEFFERIES INTERNATIONAL LIMITED**

*and*

### **AKUR LIMITED**

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Jefferies International Limited ("**Jefferies**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no-one else, will not regard any other person (whether or not a recipient of this Supplementary Prospectus) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Jefferies, nor for providing advice.

Akur Limited ("**Akur**") which is authorised and regulated in the United Kingdom by the FCA is acting exclusively for the Company and for no-one else, will not regard any other person (whether or not a recipient of this Supplementary Prospectus) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Akur, nor for providing advice.

Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies and Akur by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, each of Jefferies and Akur and any person affiliated with them do not accept any responsibility whatsoever and make no representation or warranty, express or implied, for the contents of this Supplementary Prospectus, including its accuracy or completeness, or for any other statement made or purported to be made by any of them, or on behalf of them, by or on behalf of the Company or any other person in connection with the Company or the Ordinary Shares and nothing contained in this Supplementary Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Jefferies and Akur and any of their respective affiliates accordingly disclaim to the fullest extent permitted by law all and any responsibility or liability whatsoever whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Supplementary Prospectus or any such statement.

Investors should rely only on the information contained in this Supplementary Prospectus (together with the Prospectus). No person has been authorised to give any information or make any representations other than those contained in this Supplementary Prospectus (together with the Prospectus) and, if given or made, such information or representations must not be relied upon as having been so authorised by the REIT Group, the Manager or the Joint Financial Advisers. Without prejudice to the Company's obligations under the Prospectus Rules, the delivery of this Supplementary Prospectus (together with the

Prospectus) creates no implication that there has been no change in the affairs of the REIT Group since the date of this Supplementary Prospectus.

Each of Jefferies and Akur and any their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Manager, for which they would have received customary fees. Each of Jefferies and Akur and any of their respective affiliates may provide such services to the Company and the Manager and any of their respective affiliates in the future.

The contents of this Supplementary Prospectus are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Ordinary Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or other any related matters concerning the Company and an investment therein. None of the REIT Group, the Manager or the Joint Financial Advisers or any of their respective representatives is making any representation to any offeree or purchaser of Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

No action has been taken to permit the distribution of this Supplementary Prospectus in any jurisdiction other than the United Kingdom. Accordingly, this Supplementary Prospectus may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Supplementary Prospectus is not being sent to investors with registered addresses in Canada, Australia, the Republic of South Africa, New Zealand, Japan or, except in the limited circumstances described in the Prospectus, the United States, and does not constitute an offer to sell, or the solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Supplementary Prospectus is not for release, publication or distribution in or into Canada, Australia, the Republic of South Africa, New Zealand, Japan or, except in the limited circumstances described in the Prospectus, the United States.

The Company has not been, and will not be registered under the US Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), or with any other securities regulatory authority of any state or other jurisdiction of the United States, or under the applicable securities laws of Canada, Australia, the Republic of South Africa, New Zealand or Japan and, except as set forth below, may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person, or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, New Zealand or Japan. Ordinary Shares will be offered and sold only under the Share Issuance Programme: (i) outside the United States to, and for the account or benefit of, non-US persons in “offshore transactions” within the meaning of, and in reliance on, the exemption from registration provided by Regulation S under the Securities Act; and (ii) in a concurrent private placement in the United States to a limited number of “qualified institutional buyers” as defined in Rule 144A under the Securities Act that are also “qualified purchasers” within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder.

In the Netherlands, this Supplementary Prospectus has not been approved by and will not be submitted for approval to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**NAFM**”) for the purposes of public offering or sale in the Netherlands. Therefore, in connection with any public offering under the Share Issuance Programme, this Supplementary Prospectus may only be distributed in the Netherlands to “qualified investors” (*gekwalficeerde beleggers*) as defined in article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the “**DFSA**”). This Supplementary Prospectus does not constitute a personal recommendation or an investment recommendation pursuant to Netherlands law.

The Manager is authorised for the management of the Company and marketing of the Ordinary Shares under the Share Issuance Programme in the United Kingdom and is supervised by the FCA. The Ordinary Shares described in the Prospectus that are offered, sold, transferred or delivered under the Share Issuance Programme in the Netherlands are so offered, sold, transferred or delivered on the basis of a European passport as referred to in Article 32 of the AIFMD.

Copies of this Supplementary Prospectus and the Annual Report (along with the Prospectus) will be available on the Company's website (<http://www.tritaxbigboxreit.co.uk/>) and the National Storage Mechanism of the FCA at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm) and hard copies of the Supplementary Prospectus, the Annual Report and the Prospectus can be obtained free of charge from the Receiving Agent, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and the offices of Taylor Wessing LLP at 5 New Street Square, London EC4A 3TW.

## 1. PURPOSE OF SUPPLEMENTARY PROSPECTUS

This document constitutes a Supplementary Prospectus required under Prospectus Rules 3.4.1 and 3.4.2 and is being published to note a significant new factor relating to the information included in the Prospectus. On 23 February 2015, the Company published its annual report and accounts for the financial period ended 31 December 2014 (the “**Annual Report**”) which constitutes a significant new factor relating to financial information contained in the Prospectus.

A copy of the Annual Report has been filed with the FCA and, by virtue of this Supplementary Prospectus, such Annual Report is incorporated in full in, and forms part of, this Supplementary Prospectus. Copies of the Annual Report may be obtained, free of charge, during normal business hours at the Company’s registered offices, as described below.

## 2. FINANCIAL INFORMATION RELATING TO THE COMPANY

### 2.1 *Annual Report for the financial period ended 31 December 2014*

The Annual Report for the Company has been prepared in accordance with the International Financial Reporting Standards, the listing rules made by the FCA under section 73A of FSMA, the disclosure rules and transparency rules made by the FCA under section 72 of FSMA and the FCA Handbook, and have been reviewed by the Auditor.

As a result of the publication of the Annual Report for the Company for the financial period ended 31 December 2014, the registration document which forms part of the Prospectus is hereby supplemented as follows:

### 2.2 *Published Annual Report for the financial period ended 31 December 2014*

#### (a) Financial and operating information

The published Annual Report for the Company for the financial period ended 31 December 2014, which has been incorporated in full in this document by reference, included, *inter alia*, the following information (on the pages specified in the table below):

<i>Information incorporated by reference</i>	<i>Page references of the Company’s annual report and accounts for the period ended 31 December 2014</i>
Chairman’s Statement	4
Manager’s Report	18
Details of Directors	41
Directors’ Report	51
Directors’ Remuneration Report	49
Independent Auditor’s Report	55
Income Statement	58
Balance Sheet	83
Cash Flow Statement	60
Notes to the Financial Statements	85

(b) Selected financial information

The key figures that summarise the Company's financial condition in respect of the financial period ended 31 December 2014, which have been extracted without material adjustment from the financial information referred to in paragraph 2.2(a) (unless otherwise indicated in the notes below the following table), are set out in the following table:

	<i>As at 31 December 2014 (£'000)</i>	<i>As at 31 October 2013 (£'000)</i>
<b>Assets</b>		
Investment property	586,179	—
Interest rate derivatives	2,379	—
Trade and other receivables	30,668	50
Cash and cash equivalents	98,616	—
<b>Total assets</b>	<b>717,842</b>	<b>50</b>
<b>Liabilities</b>		
Deferred rental income	(7,332)	—
Trade and other payables	(6,048)	—
Bank borrowings	(200,933)	—
<b>Total liabilities</b>	<b>(214,313)</b>	<b>—</b>
<b>TOTAL NET ASSETS</b>	<b>503,529</b>	<b>50</b>

### 3. SUPPLEMENTS TO THE SUMMARY

As a result of the publication of the Annual Report for the Company for the financial period ended 31 December 2014, the summary document which forms part of the Prospectus is hereby supplemented as follows:

<b>B.7</b>	<b>Financial Information</b>	<p>Selected historical key financial information of the REIT Group as at 31 December 2014 is set out below. The information has been extracted without material adjustment from the audited consolidated financial statements of the REIT Group for the period ended 31 December 2014.</p> <table> <tr> <th></th><th style="text-align: right;"><i>As at 31 December 2014 (£'000)</i></th><th style="text-align: right;"><i>As at 31 October 2013 (£'000)</i></th></tr> <tr> <td><b>Assets</b></td><td></td><td></td></tr> <tr> <td>Investment property</td><td style="text-align: right;">586,179</td><td style="text-align: right;">—</td></tr> <tr> <td>Interest rate derivatives</td><td style="text-align: right;">2,379</td><td style="text-align: right;">—</td></tr> <tr> <td>Trade and other receivables</td><td style="text-align: right;">30,668</td><td style="text-align: right;">50</td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;">98,616</td><td style="text-align: right;">—</td></tr> <tr> <td><b>Total assets</b></td><td style="text-align: right;"><b>722,152</b></td><td style="text-align: right;"><b>50</b></td></tr> <tr> <td><b>Liabilities</b></td><td></td><td></td></tr> <tr> <td>Deferred rental income</td><td style="text-align: right;">(7,332)</td><td style="text-align: right;">—</td></tr> <tr> <td>Trade and other payables</td><td style="text-align: right;">(6,048)</td><td style="text-align: right;">—</td></tr> <tr> <td>Bank borrowings</td><td style="text-align: right;">(200,933)</td><td style="text-align: right;">—</td></tr> <tr> <td><b>Total liabilities</b></td><td style="text-align: right;"><b>(214,313)</b></td><td style="text-align: right;"><b>—</b></td></tr> <tr> <td><b>TOTAL NET ASSETS</b></td><td style="text-align: right;"><b>503,529</b></td><td style="text-align: right;"><b>50</b></td></tr> </table>		<i>As at 31 December 2014 (£'000)</i>	<i>As at 31 October 2013 (£'000)</i>	<b>Assets</b>			Investment property	586,179	—	Interest rate derivatives	2,379	—	Trade and other receivables	30,668	50	Cash and cash equivalents	98,616	—	<b>Total assets</b>	<b>722,152</b>	<b>50</b>	<b>Liabilities</b>			Deferred rental income	(7,332)	—	Trade and other payables	(6,048)	—	Bank borrowings	(200,933)	—	<b>Total liabilities</b>	<b>(214,313)</b>	<b>—</b>	<b>TOTAL NET ASSETS</b>	<b>503,529</b>	<b>50</b>
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		<p>Save to the extent disclosed below, there has been no significant change in the financial condition or operating results of the REIT Group since 31 December 2014, being the end of the period covered by the historical financial information:</p> <ul style="list-style-type: none"> <li>on 27 January 2015, Tritax Acquisition 16 Limited exchanged contracts (conditional on receipt of planning consent) to provide forward funding for Ocado Erith Big Box with an investment price of up to £99.9 million; and</li> <li>on 2 February 2015, Barclays made available to the REIT Group an investment term loan facility of £13.2 million, secured by (amongst other things) K&amp;N Dove Valley Big Box.</li> </ul>
<b>B.10</b>	<b>Description</b>	Not Applicable. The audit reports on the historical financial information contained within the document, including as supplemented by the Supplementary Prospectus dated 23 February 2015, are not qualified.

#### 4. SIGNIFICANT CHANGE

Save to the extent disclosed below, there has been no significant financial change to the financial condition or operating results or trading position of the REIT Group since 31 December 2014, being the end of the period covered by the historical financial information:

- (a) on 27 January 2015, Tritax Acquisition 16 Limited exchanged contracts (conditional on receipt of planning consent) to provide forward funding for a new distribution warehouse facility located at the Crossdox, Erith, pre-let in its entirety to a subsidiary of Ocado Group Plc ("**Ocado**") (the "**Ocado Erith Big Box**") with an investment price of £98.8 million which could increase to £99.9 million should Ocado opt to introduce a third party guarantor to the lease; and
- (b) on 2 February 2015, Barclays made available to the REIT Group an investment term loan facility of £13.2 million, secured by (amongst other things) the distribution centre located in Dove Valley Park, Derby, leased to Kuehne & Nagel Limited (the "**K&N Dove Valley Big Box**").

#### 5. WITHDRAWAL RIGHTS

In accordance with Section 87Q(4) FSMA, investors who have agreed before this Supplementary Prospectus is published to purchase or subscribe for Ordinary Shares the allotment of which has not become fully unconditional have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplementary Prospectus was published, to withdraw their agreement.

#### 6. RESPONSIBILITY

The Company, whose registered office appears below, and the Directors, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors of the Company are Richard Jewson (Chairman), Mark Shaw, Jim Prower and Steve Smith.

The registered office of the Company is at Aberdeen House, South Road, Haywards Heath, West Sussex RH16 4NG.

## **7. DEFINITIONS**

Capitalised terms contained in this Supplementary Prospectus shall have the meanings given to such terms in the Prospectus unless otherwise defined herein. To the extent that there is any inconsistency between any statement in or incorporated by reference in the Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this Supplementary Prospectus will prevail.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of this Supplementary Prospectus (along with the Prospectus and the Annual Report) will be available on the Company's website (<http://www.tritaxbigboxreit.co.uk/>) and the National Storage Mechanism of the FCA at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm) and hard copies of the Supplementary Prospectus and Prospectus can be obtained free of charge from the Receiving Agent, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and the offices of Taylor Wessing LLP at 5 New Street Square, London EC4A 3TW.

**23 February 2015**



**THIS SECURITIES NOTE, THE REGISTRATION DOCUMENT AND THE SUMMARY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you should immediately contact your stockbroker, accountant or other independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This Securities Note, the Registration Document and the Summary together constitute a prospectus relating to Tritax Big Box REIT plc (the "**Company**") (the "**Prospectus**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA, which has been approved by the FCA in accordance with section 85 of FSMA. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at [www.tritaxbigboxreit.co.uk](http://www.tritaxbigboxreit.co.uk).

The Prospectus has been issued in connection with the issue of up to 350 million Ordinary Shares in one or more tranches throughout the period commencing 8 July 2014 and ending 7 July 2015 in connection with the Share Issuance Programme. Application will be made to the FCA for the Ordinary Shares issued pursuant to the Share Issuance Programme to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for all such New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Admission of such Ordinary Shares issued pursuant to the Share Issuance Programme will become effective and dealings in such Ordinary Shares will commence not later than 7 July 2015.

It is expected that Admission will become effective, and that dealings in the New Ordinary Shares to be issued under the Issue will commence, on 23 March 2015.

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## **TRITAX BIG BOX REIT PLC**

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 8215888 and registered as an investment company under section 833 of the Companies Act 2006)*

### **SECURITIES NOTE**

**Share Issuance Programme of up to 350 million Ordinary Shares  
(of which 104,761,904 Ordinary Shares have already been issued)**

*Sponsor, Sole Global Coordinator and Bookrunner*

**JEFFERIES**

*Joint Financial Advisers*

**JEFFERIES**

and

**AKUR**

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The Company and each of the Directors, whose names appear on page 11 of this Securities Note, accept responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Potential investors should read the whole of this Securities Note, together with the Registration Document and the Summary and, in particular, their attention is drawn to the risk factors set out on pages 8 to 10 of this Securities Note and those set out in the Registration Document.**

Jefferies International Limited ("**Jefferies**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no-one else in connection with the Issue and the Share Issuance Programme, will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the Issue or the Share Issuance Programme and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Jefferies, nor for providing advice in connection with the Issue, the Share Issuance Programme, the contents of the Prospectus or any matters referred to therein.

Akur Limited ("**Akur**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no-one else in connection with the Issue and the Share Issuance Programme, will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the Issue or the Share Issuance Programme and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Akur, nor for providing advice in connection with the Issue, the Share Issuance Programme, the contents of the Prospectus or any matters referred to therein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies and Akur by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion



of liability under the relevant regulatory regime would be illegal, void or unenforceable, each of Jefferies and Akur and any person affiliated with them do not accept any responsibility whatsoever and make no representation or warranty, express or implied, for the contents of the Prospectus, including its accuracy or completeness, or for any other statement made or purported to be made by any of them, or on behalf of them, by or on behalf of the Company or any other person in connection with the Company, the Ordinary Shares, the Issue or the Share Issuance Programme and nothing contained in the Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Jefferies and Akur and any of their respective affiliates accordingly disclaim all and any responsibility or liability whatsoever whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of the Prospectus or any such statement.

Each of Jefferies and Akur and any their respective affiliates may have engaged in transactions with, and have provided various investment banking, financial advisory and other services for, the Company and the Manager, for which they would have received customary fees. Each of Jefferies and Akur and any of their respective affiliates may provide such services to the Company and the Manager and any of their respective affiliates in the future.

Investors should rely only on the information contained in the Prospectus. No person has been authorised to give any information or make any representations other than those contained in the Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the REIT Group, the Manager or the Joint Financial Advisers. Without prejudice to the Company's obligations under the Prospectus Rules, neither the delivery of the Prospectus nor any subscription for or purchase of Ordinary Shares made pursuant to the Issue or the Share Issuance Programme, under any circumstances, will create any implication that there has been no change in the affairs of the REIT Group since, or that the information contained herein is correct at any time subsequent to, the date of the Prospectus.

In connection with the Issue and the Share Issuance Programme, each of Jefferies and Akur and any of their respective affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Ordinary Shares and other securities of the Company or related investments in connection with the Issue, the Share Issuance Programme or otherwise. Accordingly, references in the Prospectus to Ordinary Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Jefferies and Akur and any of their respective affiliates acting as an investor for its or their own account(s). Neither Jefferies nor Akur nor any of their respective affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Jefferies and Akur may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Jefferies and Akur may from time to time acquire, hold or dispose of shareholdings in the Company.

The contents of the Prospectus are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Ordinary Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or other any related matters concerning the Company and an investment therein. None of the REIT Group, the Manager or the Joint Financial Advisers or any of their respective representatives is making any representation to any offeree or purchaser of Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

No action has been taken to permit the distribution of the Prospectus in any jurisdiction other than the United Kingdom. Accordingly, the Prospectus may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Prospectus is not being sent to investors with registered addresses in Canada, Australia, the Republic of South Africa, New Zealand, Japan or, except in the limited circumstances described below, the United States, and does not constitute an offer to sell, or the solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Prospectus is not for release, publication or distribution in or into Canada, Australia, the Republic of South Africa, New Zealand, Japan or, except in the limited circumstances described below, the United States.

The Company has not been, and will not be registered under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or with any other securities regulatory authority of any state or other jurisdiction of the United States, or under the applicable securities laws of Canada, Australia, the Republic of South Africa, New Zealand or Japan and, except as set forth below, may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person, or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, New Zealand or Japan. In

connection with the Issue and the Share Issuance Programme, the Ordinary Shares are being offered and sold only: (i) outside the United States to, and for the account or benefit of, non-US persons in “offshore transactions” within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act; and (ii) in a concurrent private placement in the United States to a limited number of “qualified institutional buyers” as defined in Rule 144A under the Securities Act that are also “qualified purchasers” within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder.

The Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey, and may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than: (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended; or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000. The Guernsey Financial Services Commission does not vouch for the financial soundness of the Placing or the Offer for Subscription in respect of the Ordinary Shares or for the correctness of any statements made or opinions expressed with regard to them.

In the Netherlands, the Prospectus has not been approved by and will not be submitted for approval to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**NAFM**”) for the purposes of public offering or sale in the Netherlands. Therefore, in connection with any public offering, the Prospectus may only be distributed in the Netherlands to “qualified investors” (*gekwalificeerde beleggers*) as defined in article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the “**DFSA**”). The Prospectus does not constitute a personal recommendation or an investment recommendation pursuant to Netherlands law.

The Manager is authorised for the management of the Company and marketing of the Ordinary Shares in the United Kingdom and is supervised by the FCA. The Ordinary Shares described herein are offered, sold, transferred or delivered in the Netherlands on the basis of a European passport as referred to in Article 32 of the AIFMD. On 4 July 2014, the Manager submitted a notification to the FCA of its intention to market the Ordinary Shares in the Netherlands, as referred to in Article 32 of the AIFMD. Accordingly, the FCA transmitted the notification file to the NAFM and, in accordance with Article 32(4) of the AIFMD, the FCA confirmed that the Manager may market the Ordinary Shares in the Netherlands, subject to any local requirements in the Netherlands for the payment of a fee before such marketing may be undertaken. The result of the FCA’s transmission of the notification file is that neither the Manager nor the Company are subject to the license requirement for fund managers or investment institutions pursuant to the DFSA.

Copies of this Securities Note, the Registration Document and the Summary will be available on the Company’s website (<http://www.tritaxbigbox.co.uk/>) and the National Storage Mechanism of the FCA at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm) and hard copies of the Prospectus can be obtained free of charge from the Receiving Agent, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and the offices of Taylor Wessing LLP at 5 New Street Square, London EC4A 3TW.

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## **EXPECTED TIMETABLE**

### **The Placing and Offer for Subscription**

Placing and Offer for Subscription opens	6 March 2015
Latest time and date for receipt of completed Application Forms and payment in full under the Offer of Subscription	11.00 a.m. on 18 March 2015
Latest time and date for receipt of placing commitments under the Placing	3.00 p.m. on 18 March 2015
Announcement of the results of the Issue	19 March 2015
Admission of the New Ordinary Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities	8.00 a.m. on 23 March 2015
Crediting of CREST stock accounts	23 March 2015
Share certificates despatched (where appropriate)	week commencing 6 April 2015 (or as soon as possible thereafter)

### **The Share Issuance Programme**

Share Issuance Programme opened	8 July 2014
Admission and crediting of CREST accounts in respect of each Share Issue	8.00 a.m. on each day Ordinary Shares are issued
Dispatch of definitive share certificates (where applicable)	Approximately 14 days following the relevant admission
Last date for Ordinary Shares to be issued pursuant to the Share Issuance Programme	7 July 2015

The dates and times specified in this Securities Note are subject to change without further notice. All references to times in this Securities Note are to London time unless otherwise stated. In particular the Board may, with the prior approval of the Manager and the Joint Financial Advisers, bring forward or postpone the closing time and date for the Issue. In the event that such date is changed, the Company will notify investors who have applied for Ordinary Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service.

## ISSUE STATISTICS

Issue Price per New Ordinary Share	110 pence
New Ordinary Shares being issued*	up to 136,363,636 <sup>(1)</sup>
Gross Proceeds*	up to £150 million <sup>(2)</sup>
Estimated Net Proceeds*	up to £147 million <sup>(2)</sup>

\* The number of New Ordinary Shares issued and to be issued pursuant to the Issue, and therefore the Gross Proceeds and the Net Proceeds of the Issue, is not known as at the date of this Securities Note but will be notified by the Company via a Regulatory Information Service prior to Admission. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

- (1) The Directors have reserved the right, in consultation with Jefferies, to increase the size of the Issue up to a maximum of 181,818,181 Ordinary Shares if overall demand exceeds 136,363,636 Ordinary Shares, with any such increase being announced through a Regulatory Information Service.
- (2) Assuming the Issue is subscribed as to 136,363,636 Ordinary Shares.

## SHARE ISSUANCE PROGRAMME STATISTICS

Maximum number of Ordinary Shares being made available under the Share Issuance Programme	350 million*
Share Issuance Programme Price	NAV per Ordinary Share plus a premium**

\* 104,761,904 Ordinary Shares were issued as a Tranche under the Share Issuance Programme on 2 December 2014. The New Ordinary Shares are also being issued as a Tranche under the Share Issuance Programme.

\*\* Further terms and conditions of issues of Ordinary Shares under the Share Issuance Programme will, to the extent necessary, be contained in a new securities note and new summary for each such issue.

## DEALING CODES

Ticker	BBOX
ISIN for the Ordinary Shares	GB00BG49KP99
SEDOL for the Ordinary Shares	BG49KP9

## RISK FACTORS

Any investment in the Company, including the acquisition of the Ordinary Shares under the Issue and/or the Share Issuance Programme, is subject to a number of risks. Accordingly, prior to making any decision relating to the Placing and/or Offer for Subscription, prospective investors should consider carefully the factors and risk associated with any investment in the Company (as described below) together with all other information contained in this Securities Note as well as the information contained in the Registration Document.

The risks below are not the only ones that the Company will face. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. Any of these risks could materially affect the REIT Group, its reputation, business, results of operations and overall financial condition. In such a case, the market price of Ordinary Shares may decline and Shareholders could lose all or part of their investment.

**Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of the information in this Securities Note, the information set out in the Registration Document (including the section entitled “Risk Factors”) and their personal circumstances.**

### RISKS RELATING TO THE ORDINARY SHARES

#### ***The value and/or market price of the Ordinary Shares may go down as well as up***

Prospective investors should be aware that the value and/or market price of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.

The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, among other things, variations in the Company's operating results, additional issuances or future sales of the Ordinary Shares or other securities exchangeable for, or convertible into, its Ordinary Shares in the future, the addition or departure of Board members, replacement of the Manager, change in the Investment Team, change to the Manager, expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the UK commercial property market as a whole, the Company or any of its assets, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the Ordinary Shares. The market value of the Ordinary Shares may vary considerably from the Company's underlying Net Asset Value. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

#### ***Issue price of Ordinary Shares under the Share Issuance Programme***

Where a Tranche of Ordinary Shares issued under the Share Issuance Programme contains a non-pre-emptive component, the issue price of that non-pre-emptive component cannot be lower than the Net Asset Value. The issue price of such Ordinary Shares will be calculated by reference to the latest published unaudited Net Asset Value. Such Net Asset Value is determined on the basis of the information available to the Administrator at the time and may be subject to subsequent revisions. Accordingly, there is a risk that, had such issue price been calculated by reference to

information that emerged after the calculation date, it could have been greater or lesser than the issue price actually paid by the investors. If such issue price should have been less than the issue price actually paid, investors will have borne a greater premium than intended. If such issue price should have been greater than the issue price actually paid, investors will have paid less than intended and, in certain circumstances, the Net Asset Value of the Ordinary Shares may have been diluted.

### ***Trading market for the Ordinary Shares***

The share price of listed companies can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the REIT Group and its operations and others to the broader equity markets in general, such as variations in the operating results of the REIT Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the REIT Group's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations which could adversely affect the market price of the Ordinary Shares.

### ***The Company will in the future issue new equity, which may dilute Shareholders' equity***

The Company will issue new equity in the future pursuant to the Share Issuance Programme or otherwise. While the Articles contain pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied in certain circumstances, and will be disapplied in relation to the maximum amount of shares that may be issued pursuant to the Share Issuance Programme. Where pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

### ***The Company's ability to pay dividends will depend upon its ability to generate sufficient earnings and certain legal and regulatory restrictions***

All dividends and other distributions paid by the Company will be made at the discretion of the Board. For the REIT Group to continue to be eligible for REIT status, the Company will be required to distribute to Shareholders at least 90 per cent. of the income profits arising from its Tax-Exempt Business. The payment of any such dividends or other distributions will, in general, depend on the ability of the members of the REIT Group to generate realised profits and cash flow and their ability to pass such profits and cash flows to the Company on a timely basis.

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

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

### ***The interest of any significant investor may conflict with those of other Shareholders***

Certain investors may acquire significant holdings of Ordinary Shares. Accordingly, they will potentially possess sufficient voting power to have a significant influence on matters requiring Shareholder approval. The interests of any significant investor may accordingly conflict with those of other Shareholders. In addition, any significant investor may make investments in other businesses in the UK Big Box market that may be, or may become, competitors of the REIT Group.



***The Company has not registered, and will not register, the Ordinary Shares with the US Securities and Exchange Commission, which may limit the Shareholders' ability to resell them***

The Ordinary Shares have not been, and will not be, registered under the Securities Act or any US state securities laws. The Company will be relying upon exemptions from registration under the Securities Act and applicable state securities laws in offering and selling the Ordinary Shares. As a consequence, for Securities Act purposes, the Ordinary Shares can only be transferred or re-sold in the United States or to a US Person in transactions registered under the Securities Act, or in accordance with exemptions from the registration requirements of the Securities Act and exemptions under applicable state securities laws. Shareholders will not have registration rights and, therefore, will not be entitled to compel the Company to register their securities.

***The Company has not, and will not, register as an investment company under the Investment Company Act***

The Company is not, and does not intend to become, registered in the United States as an investment company under the Investment Company Act and related rules. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to register, none of these protections or restrictions are or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the Investment Company Act, the Company may, under the Articles, serve a notice upon any person to whom a sale or transfer of Ordinary Shares may cause the Company to be classified as an investment company under the Investment Company Act requiring such person to transfer the Ordinary Shares to an eligible transferee within 14 days of such notice. If, within 14 days, the notice has not been complied with, the Company may cause Shareholders to forfeit the Ordinary Shares or sell the Ordinary Shares. These procedures may materially affect certain Shareholders' ability to transfer their Ordinary Shares.

## DIRECTORS, MANAGEMENT AND ADVISERS

<b>Directors</b>	<p>Richard Jewson (<i>Non-executive Chairman</i>)  Jim Prower (<i>Non-executive Director</i>)  Mark Shaw (<i>Non-executive Director</i>)  Stephen Smith (<i>Non-executive Director</i>)</p> <p>all of</p>
<b>Registered Office</b>	<p>Aberdeen House  South Road  Haywards Heath  West Sussex  RH16 4NG</p>
<b>Manager</b>	<p>Tritax Management LLP  Aberdeen House  South Road  Haywards Heath  West Sussex  RH16 4NG</p>
<b>Joint Financial Advisers</b>	<p>Akur Limited  23 Bruton Street  Mayfair  London  W1J 6QF</p> <p>Jefferies International Limited  Vintners Place  68 Upper Thames Street  London  EC4V 3BJ</p>
<b>Sponsor, Sole Global Coordinator and Bookrunner</b>	<p>Jefferies International Limited  Vintners Place  68 Upper Thames Street  London  EC4V 3BJ</p>
<b>Legal Advisers to the Company as to English law</b>	<p>Taylor Wessing LLP  5 New Street Square  London  EC4A 3TW</p>
<b>Legal Advisers to the Company as to US law</b>	<p>Goodwin Proctor LLP  The New York Times Building  620 Eighth Avenue  New York  NY 10118</p>

<b>Legal Advisers to the Joint Financial Advisers and Sponsor, Sole Global Coordinator and Bookrunner as to English and US law</b>	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
<b>Auditor &amp; Reporting Accountant</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Company Secretary</b>	Taylor Wessing Secretaries Limited 5 New Street Square London EC4A 3TW
<b>Registrar and Receiving Agent</b>	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Administrator</b>	Capita Sinclair Henderson Limited Beaufort House 51 New North Road Exeter EX4 4EP
<b>Principal Bankers</b>	Barclays Bank PLC PO Box 3333 One Snowhill Snow Hill Queensway Birmingham B3 2WN

## IMPORTANT INFORMATION

### GENERAL

The Prospectus should be read in its entirety before making any application for Ordinary Shares. In assessing an investment in the Company, investors should rely only on the information in the Prospectus. No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares other than those contained in the Prospectus, and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Board, the Manager, Jefferies or Akur or any of their respective affiliates, directors, officers, employees or agents or any other person.

Without prejudice to any obligation of the Company to publish a supplementary prospectus, neither the delivery of the Prospectus nor any subscription or purchase of Ordinary Shares made pursuant to the Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of the Prospectus.

Prospective investors should not treat the contents of the Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to:

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

Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Ordinary Shares.

Apart from the liabilities and responsibilities (if any) which may be imposed on Jefferies or Akur by FSMA or the regulatory regime established thereunder, neither Jefferies nor Akur make any representation or warranty, express or implied, nor accept any responsibility whatsoever for the contents of the Prospectus including its accuracy, completeness or verification or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Manager, the Ordinary Shares, the Issue or the Share Issuance Programme. Each of Jefferies and Akur (and their respective affiliates, directors, officers or employees) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which they might otherwise have in respect of the Prospectus or any such statement.

The Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of the Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession the Prospectus is received are required to inform themselves about and to observe such restrictions.

In connection with the Issue and the Share Issuance Programme, each of the Joint Financial Advisers and any of their affiliates acting as an investor for its or their own account(s), may subscribe for Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or

otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Issue, the Share Issuance Programme or otherwise. Accordingly, references in the Prospectus to Ordinary Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, each of the Joint Financial Advisers and any of their affiliates acting as an investor for its or their own account(s). Neither of the Joint Financial Advisers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Company consents to the use of the Prospectus by financial intermediaries in connection with any subsequent resale or final placement of securities by financial intermediaries in the UK on the following terms: (i) in respect of the Intermediaries who have been appointed by Jefferies prior to the date of this Securities Note, as listed in paragraph 9 of Part 5 of this Securities Note, from the date of this Securities Note, and (ii) in respect of Intermediaries who are appointed by Jefferies after the date of this Securities Note, a list of which will appear on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by financial intermediaries at 11.00 a.m. on 18 March 2015, unless closed prior to that date. **Any Intermediary that uses the Prospectus must state on its website that it uses the Prospectus in accordance with the Company's consent and the conditions attached thereto. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.**

**Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

Any intermediary may use the Prospectus for subsequent resale or final placement of securities in the UK only.

The Company accepts responsibility for the information contained in the Prospectus with respect to any subscriber for Ordinary Shares pursuant to any subsequent resale or final placement of securities by financial intermediaries.

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

## **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

### ***Prospectus Directive***

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

- to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal

persons (other than “qualified investors” as defined in the Prospectus Directive) in such Relevant Member State; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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

#### **AIFMD**

In relation to each member state in the European Economic Area that has implemented the AIFMD, no Ordinary Shares have been or will be directly or indirectly offered to or placed with investors in that member state at the initiative of or on behalf of the Company or Manager other than in accordance with methods permitted in that member state, which may include but are not limited to marketing under Article 32 of the AIFMD, any available transitional provisions in the relevant member state or any applicable private placement regime.

#### **FOR THE ATTENTION OF OVERSEAS INVESTORS**

The attention of investors who are not resident in, or who are not citizens of, the United Kingdom is drawn to the paragraphs below.

The offer of Ordinary Shares under the Issue or the Share Issuance Programme to persons who are resident in, or citizens of, countries other than the United Kingdom (“**Overseas Investors**”) may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Ordinary Shares under the Issue or the Share Issuance Programme. It is the responsibility of all Overseas Investors receiving the Prospectus and/or wishing to subscribe for Ordinary Shares under the Issue and/or the Share Issuance Programme to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of the Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

The Company reserves the right to treat as invalid any commitment to subscribe for Ordinary Shares under the Issue and/or the Share Issuance Programme if it appears to the Company or its

agents to have been entered into by, subject to certain exceptions, a US Person or a person in the United States, or by a person in Canada, Australia, the Republic of South Africa, New Zealand or Japan, or otherwise entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

## **UNITED STATES (U.S.) TAX WITHHOLDING AND REPORTING UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (“FATCA”)**

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

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

In general, an IRS Agreement will require an FFI to obtain and report information about its “U.S. accounts”, which include equity interests in a non-U.S. entity other than interests regularly traded on an established securities market. The following assumes that the Company will be an FFI and that its Ordinary Shares will not be considered regularly traded on an established securities market for purposes of FATCA. The Company’s reporting obligations under FATCA would generally be less extensive if its Ordinary Shares were considered regularly traded on an established securities market for purposes of FATCA. An IRS Agreement would require the Company (or an intermediary financial institution, broker or agent (each, an “**Intermediary**”) through which a beneficial owner holds its interest in Ordinary Shares) to agree to: (i) obtain certain identifying information regarding the holder of such Ordinary Shares to determine whether the holder is a U.S. person or a U.S. owned foreign entity and to periodically provide identifying information about the holder to the IRS; and (ii) comply with withholding and other requirements. In order to comply with its information reporting obligation under the IRS Agreement, the Company will be obliged to obtain information from all Shareholders. To the extent that any payments in respect of the Ordinary Shares are made to a Shareholder by an Intermediary, such Shareholder may be required to comply with the Intermediary’s requests for identifying information that would permit the Intermediary to comply with its own IRS Agreement. Any Shareholder that fails to properly comply with the Company’s or an Intermediary’s requests for certifications and identifying information or, if applicable, a waiver of non-US law prohibiting the release of such information to a taxing authority, will be treated as a “**Recalcitrant Holder**”. The Company will not be required to enter into an IRS Agreement provided that it complies with legislation enacted by the UK that generally requires similar information to be collected and reported to the UK authorities.

Under the UK IGA (including any legislation enacted in furtherance of the IGA) or an IRS Agreement, an Intermediary (and possibly the Company) may be required to deduct a withholding tax of up to 30 per cent. on payments (including gross proceeds and redemptions) made on or after 1 January 2017 to a Recalcitrant Holder or a Shareholder that itself is an FFI and, unless exempted or otherwise deemed to be compliant, does not have in place an effective IRS Agreement (i.e., the Shareholder is a non-Participating FFI). Neither the Company nor an Intermediary will make any additional payments to compensate a Shareholder of the Company or beneficial owner for any



amounts deducted pursuant to FATCA. It is also possible that the Company may be required to cause the disposition or transfer of Ordinary Shares held by Shareholders that fail to comply with the relevant requirements of FATCA and the proceeds from any such disposition or transfer may be an amount less than the then current fair market value of the Ordinary Shares transferred.

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

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

The foregoing is only a general summary of certain provisions of FATCA. Prospective investors should consult with their own tax advisors regarding the application of FATCA to their investment in the Company. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

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

## **FORWARD-LOOKING STATEMENTS**

The Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the REIT Group and the Tritax Group concerning, amongst other things, the Investment Objectives and Investment Policy, investment performance, results of operations, financial condition, prospects, and dividend policy of the REIT Group and the markets in which it is involved. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The REIT Group’s actual investment performance, results of operations, financial condition and dividend policy may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the investment performance, results of operations and financial condition of the Company are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company’s ability to achieve its Investment Objective and returns on equity for investors;
- the ability of the Manager and the Investment Team to execute successfully the Investment Policy of the Company;
- the Company’s short operating history and the track record of the Manager and its affiliates not being indicative of the Company’s future performance;

- the ability of the Company to invest the proceeds of the Issue and the Share Issuance Programme in suitable investments on a timely basis;
- impairments in the value of investments by the REIT Group;
- the availability and cost of capital for future investments;
- competition within the industries in which the REIT Group operates;
- the termination of, or failure of the Manager to perform its obligations under, the Investment Management Agreement;
- the departure of members of the Investment Team;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the REIT Group; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the “Risk Factors” section of this Securities Note and the Registration Document for a discussion of additional factors that could cause the Company’s actual results to differ materially before making an investment decision. Forward-looking statements speak only as at the date of the Prospectus.

Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement. The information in this document will, however, be updated as required by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as qualifying the working capital statement in paragraph 7 of Part 5 of this Securities Note.

## **PRESENTATION OF FINANCIAL INFORMATION AND OTHER DATA**

### **PRESENTATION OF FINANCIAL INFORMATION**

The Company prepares its financial information under IFRS and in accordance with EPRA's best practice recommendations.

The financial information contained in the Prospectus, including that financial information presented in a number of tables in the Prospectus, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in the Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

### **PRESENTATION OF INDUSTRY, MARKET AND OTHER DATA**

The Prospectus includes certain market, economic and industry data, which were obtained by the Company from industry publications, data and reports compiled by professional organisations, analysts and data from other external sources. Where information has been referenced in the Prospectus, the source of that third party information has been disclosed. The Company and the Directors confirm that all information contained in the Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates and the Directors' knowledge of the UK property market.

### **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this Securities Note to "GBP", "Sterling", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK.

### **REFERENCES TO DEFINED TERMS**

Certain terms used in this Securities Note, including capitalised terms and certain technical and other terms are explained in Part 10 of this Securities Note.

### **TIMES AND DATES**

References to times and dates in this Securities Note are, unless otherwise stated, to United Kingdom times and dates.

### **NO INCORPORATION OF WEBSITE INFORMATION**

The Company's website address is [www.tritaxbigboxreit.co.uk](http://www.tritaxbigboxreit.co.uk). The contents of the Company's website do not form part of this Securities Note.

### **GOVERNING LAW**

Unless otherwise stated, statements made in this Securities Note are based on the law and practice currently in force in England and are subject to changes therein.

## PART 1

### REASONS FOR THE ISSUE AND THE SHARE ISSUANCE PROGRAMME

#### Background to and benefits of the Issue and Share Issuance Programme

The Directors believe that the Issue and the Share Issuance Programme are important steps in the REIT Group's development.

Since its IPO on 9 December 2013, the Company has invested or committed substantially all of the net investable funds raised in accordance with its Investment Objective and Investment Policy. As at the date of this Securities Note, the Portfolio consists of the following investments:

<i>Tenant</i>	<i>Location</i>	<i>Month of acquisition</i>	<i>Size (sq ft)</i>	<i>Tenure</i>	<i>Market valuation as at 31 December 2014</i>
Sainsbury's Supermarket Ltd	Leeds	Dec 2013	571,522	Freehold	£57,160,000
Marks & Spencer plc	Castle Donington	Dec 2013	906,240	Freehold	£90,550,000
Tesco Stores Ltd	Chesterfield	Mar 2014	501,751	Freehold	£31,500,000
Tesco Distribution Ltd	Didcot	Apr 2014	288,295	Freehold	£31,560,000
Next Group Plc	Doncaster	Jun 2014	755,055	Freehold	£65,050,000
Wm Morrison Supermarkets Ltd	Sittingbourne	Jun 2014	919,443	999 year leasehold	£110,150,000
DHL Supply Chain Ltd	Langley Mill	Aug 2014	255,680	Freehold	£19,625,000
DHL Supply Chain Ltd	Skelmersdale	Aug 2014	470,385	Freehold	£31,750,000
Wolseley UK Ltd	Ripon	Aug 2014	221,763	Freehold	£13,210,000
Rolls-Royce Motor Cars Ltd*	Bognor Regis	Oct 2014	313,220	Freehold	£37,500,000
CDS (Superstores International) Ltd (The Range)	Thorne	Nov 2014	750,431	Freehold	£50,050,000
Tesco Stores Ltd	Middleton	Dec 2014	302,111	Freehold	£23,375,000
Kuehne & Nagel Ltd	Dove Valley Park	Dec 2014	343,248	Freehold	£30,500,000
L'Oreal (UK) Ltd	Trafford Park	Dec 2014	261,959	Freehold	£27,300,000
<b>Total</b>			<b>6,861,103</b>		<b>£619,280,000</b>

\* forward funded development project

In addition, in January 2015, the Company exchanged contracts (conditional on detailed planning consent) to provide forward funding for a new distribution warehouse facility located in Erith, pre-let in its entirety to a subsidiary of Ocado. The investment price is £98.8 million.

The Company does not at the date of the Prospectus, and will not at Admission, have any investments representing more than 20 per cent. of the Company's current estimated gross assets.

The Directors believe that the Issue and the Share Issuance Programme have the following principal benefits for Shareholders:

- the net proceeds of the Issue and Share Issuance Programme will be used to invest further in UK Big Box assets, diversifying the Company's Portfolio in terms of both tenant exposure and geographical location, providing strategic flexibility and capitalising on the Company's leading position in the UK Big Box market;
- the Issue and the Share Issuance Programme will allow the Company to tailor future equity issuances to its immediate pipeline, providing flexibility and minimising cash drag;
- the Issue is expected to be NAV accretive (net of fees and expenses associated with the Issue) for existing Shareholders;
- an increase in the size of the Company should enhance the marketability of the Company and result in a broader investor base over the longer term with increased liquidity; and
- an increase in the size of the Company will spread its fixed operating expenses over a larger issued share capital.

As well as being focused on delivering capital growth over the medium term, the Directors intend to continue to increase the size and scale of the Company over a timely and appropriate period, with the medium term objective being to increase the total NAV of the Company to approximately £1 billion. In order to move closer to this objective, the Directors have implemented the Share Issuance Programme to issue, in aggregate, up to 350 million Ordinary Shares. The Issue is being made pursuant to the Share Issuance Programme.

### **The Issue**

The Company is proposing to issue a Tranche under the Share Issuance Programme of up to 136,363,636 Ordinary Shares pursuant to the Issue, targeting Gross Proceeds of £150 million. The Issue will comprise the Placing and the Offer for Subscription. The Directors have reserved the right, in consultation with Jefferies, to increase the size of the Issue up to a maximum of 181,818,181 Ordinary Shares to raise Gross Proceeds of £200 million if overall demand exceeds 136,363,636 Ordinary Shares, with any such increase being announced through a Regulatory Information Service.

### **Pipeline investments**

The Directors and Manager believe that there is a strong pipeline of other assets which meet the Company's Investment Objective and Investment Policy and which offer a similar return profile to the current Portfolio. The Manager has undertaken its own due diligence and negotiations in connection with some of these potential assets. The Directors may or may not accept these or other assets as being suitable for the Company and may or may not proceed with the acquisition of any such opportunities. It is anticipated that any further investments will be acquired out of existing cash resources, borrowings, funds raised from the Issue or the Share Issuance Programme or any combination of these.

As at the date of this Securities Note, the Manager is currently in advanced negotiations for the acquisition of three additional assets each of which is under offer, in solicitors' hands and subject to exclusivity arrangements. In addition, the Manager is engaged in detailed discussions with the owners of a number of other suitable assets that meet the Company's Investment Policy. In order to assist in the financing of these investment opportunities, the Company is seeking to raise additional equity via the Issue.

**There can be no assurance that any of these pipeline projects will be completed or will be purchased or funded by the Company. The Company will, in any event, continue to evaluate other potential acquisitions in accordance with its Investment Policy.**

## **PART 2**

### **THE ISSUE**

#### **1. INTRODUCTION**

The Company is proposing to raise up to £150 million (before expenses) through the Placing and Offer for Subscription under the Share Issuance Programme. If the Issue meets its target size, it is expected that the Company will receive approximately £147 million from the Issue, net of fees and expenses associated with the Issue, which will not exceed £3 million, being 2 per cent. of the Gross Proceeds.

The Company intends to use the Net Proceeds to make additional investments in accordance with the Company's Investment Policy.

The Issue, which is not underwritten, is conditional upon *inter alia*:

- (a) Admission having become effective on or before 8.00 a.m. on 23 March 2015 or such later time and/or date as the Company and Jefferies may agree; and
- (b) the Issue Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission.

If these conditions are not met, the Issue will not proceed and an announcement to that effect will be made via a Regulatory Information Service.

Application will be made for the New Ordinary Shares to be admitted to the premium segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities.

As at 31 December 2014, the audited Net Asset Value per Ordinary Share was 107.02 pence.

#### **2. THE OFFER FOR SUBSCRIPTION**

Ordinary Shares are available under the Offer for Subscription, at the discretion of the Directors (in consultation with the Joint Financial Advisers). The Offer for Subscription is only being made in the UK but, subject to applicable law, the Company may allot Ordinary Shares on a private placement basis to applicants in other jurisdictions. The terms and conditions of application under the Offer for Subscription are set out in Part 8 of this Securities Note and an Application Form can be found at the end of this Securities Note. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbroker, bank manager, solicitor, accountant or other financial adviser if they are in any doubt about the contents of this Securities Note.

All applications for Ordinary Shares under the Offer for Subscription will be payable in full, in GBP, by a cheque or banker's draft drawn on a UK clearing bank made payable to "Capita Registrars Limited re: TBB REIT OFS a/c". Applications must be made using the relevant Application Form attached hereto and must be for a minimum of 10,000 Ordinary Shares and thereafter in multiples of 100 Ordinary Shares. The Company may, in its absolute discretion, determine to accept applications in lesser amounts.



Investors subscribing for Ordinary Shares pursuant to the Offer for Subscription may elect whether to hold the Ordinary Shares in certificated form, or in uncertificated form through CREST. If an investor requests for Ordinary Shares to be issued in certificated form on the Application Form and ticks the relevant box to request a share certificate, a share certificate will be despatched either to them or their nominated agent (at their own risk) within 14 days of completion of the registration process of the Ordinary Shares.

### **3. THE PLACING**

The Company, the Manager, Jefferies and Akur have entered into the Issue Placing Agreement, pursuant to which Jefferies has agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers and placees for Ordinary Shares made available in the Placing at the Issue Price. The Placing is not being underwritten.

Applications under the Placing will be subject to the terms and conditions set out in Part 7 of this Securities Note.

### **4. INTERMEDIARIES**

In connection with the Offer for Subscription, Jefferies will appoint certain Intermediaries to market the New Ordinary Shares to potential retail investors in the United Kingdom. The Intermediaries who have been appointed by Jefferies prior to the date of this Securities Note are listed in paragraph 9 of Part 5 of this Securities Note. Further Intermediaries may be appointed after the date of this Securities Note.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries in relation to the offering of Shares on market standard terms and provide for the payment of commission to any Intermediary that elects to receive commission from Jefferies.

Each Intermediary will submit a single Application Form pursuant to the Offer for Subscription in its own name, as nominee, for the aggregate number of Shares procured by it via subscriptions from underlying retail investors.

Each applicant who applies for New Ordinary Shares via an Intermediary must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient New Ordinary Shares available to satisfy an application in full (due to scaling back of subscriptions or otherwise), the relevant Intermediary will be obliged to refund the applicant as required and all such refunds shall be made without interest. The Company, Jefferies and Akur accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Pursuant to the Intermediaries Terms and Conditions, the Intermediaries have undertaken to make payment on their own behalf for the consideration for any New Ordinary Shares subscribed pursuant to the Offer for Subscription by means of the CREST system against delivery of the New Ordinary Shares.

The publication of the Prospectus and any actions of the Company, Jefferies, Akur, the Intermediaries or other persons in connection with the Offer for Subscription should not be taken as any representation or assurance as to the basis on which the number of Shares to be offered under the Offer for Subscription or allocations between applications in the Offer for Subscription (from Intermediaries or otherwise) will be determined and any such actions or statements are hereby disclaimed by the Company, Jefferies, Akur and the Intermediaries.

## **5. BASIS OF ALLOCATION UNDER THE ISSUE**

The Directors have reserved the right, in consultation with Jefferies, to increase the size of the Issue to up to a maximum of 181,818,181 Ordinary Shares to raise Gross Proceeds of up to £200 million if overall demand exceeds 136,363,636 Ordinary Shares, with any such increase being announced through a Regulatory Information Service. In the event that aggregate applications for new Ordinary Shares under the Issue were to exceed the maximum size of the Issue, it would be necessary to scale back applications. Jefferies reserves the right, at its sole discretion, but after consultation with the Board, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Issue and to scale back the Placing in favour of the Offer for Subscription. Accordingly, applicants for New Ordinary Shares may, in certain circumstances, not be allotted the number of New Ordinary Shares for which they have applied. In particular, the Company shall determine all matters relating to the private placement in the United States.

The Company will notify investors of the number of Ordinary Shares in respect of which their application has been successful and the results of the Issue will be announced by the Company on or around 19 March 2015 via a Regulatory Information Service announcement.

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

## **6. GENERAL**

Subject to those matters on which the Issue is conditional, the Directors (in consultation with the Joint Financial Advisers) may bring forward (to the extent possible) or postpone the closing date for the Placing and the Offer for Subscription.

The basis of allocation under the Issue is expected to be announced through a Regulatory Information Service on 19 March 2015. The basis of allocation shall be determined (subject to the principles set out in this Part 2) by the Directors after consultation with the Joint Financial Advisers and the Manager.

To the extent that any application for subscription is rejected in whole or in part, or if the Issue does not proceed, monies received will be returned to each relevant applicant by electronic transfer to the account from which payment was originally received or by cheque (as applicable) at its risk and without interest.

The Company does not propose to accept multiple subscriptions. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is being made. Multiple applications or suspected multiple applications on behalf of a single client are liable to be rejected.

The ISIN for Ordinary Shares is GB00BG49KP99 and the SEDOL is BG49KP9.

Subject to their statutory right of withdrawal pursuant to section 87(Q)(4) of FSMA, in the event of the publication of a supplementary prospectus, applicants may not withdraw their applications for Ordinary Shares.

Applicants wishing to exercise their statutory right of withdrawal pursuant to section 87(Q)(4) of FSMA after the publication by the Company of a prospectus supplementing this

Securities Note must do so by lodging a written notice of withdrawal (which shall include a notice sent by any form of electronic communication) which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST Member by post or by hand (during normal business hours only) with Capita Asset Services, Corporate Actions, 34 Beckenham Road, Kent BR9 4TU, or by email to [withdraw@capitaregistrars.com](mailto:withdraw@capitaregistrars.com) so as to be received not later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by Capita Asset Services after expiry of such period will not constitute a valid withdrawal. The Company will not permit the exercise of withdrawal rights after payment by the relevant applicant of his subscription in full and the allotment of Ordinary Shares to such applicant becoming unconditional in such event Shareholders are recommended to seek independent legal advice.

## **7. OVERSEAS INVESTORS**

The attention of persons resident outside the UK is drawn to the notices to investors set out on pages 14 to 16 of this Securities Note which contains restrictions on the holding of Ordinary Shares by such persons in certain jurisdictions.

In particular, investors should note that the Ordinary Shares have not been and will not be registered under the Securities Act or under the applicable status securities laws of the United States, and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the Ordinary Shares may not be offered, sold, pledged or otherwise transferred directly or indirectly in or into the United States or to, or for the account or benefit of any US Person or to, or for the account or benefit of, any US Persons except in a transaction meeting the requirements of an applicable exemption from the registration requirements of the Securities Act.

## **8. DEALING ARRANGEMENTS**

Applications will be made for the New Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 23 March 2015.

## **9. SETTLEMENT**

Payment for Ordinary Shares applied for under the Offer for Subscription should be made in accordance with the instructions contained in the Application Form set out at the end of this Securities Note. Payment for Ordinary Shares to be acquired under the Placing should be made in accordance with settlement instructions provided to investors by Jefferies. To the extent that any application or subscription for Ordinary Shares is rejected in whole or in part, monies will be returned to the applicant(s) within 14 days at the risk of the applicant(s) without interest.

CREST accounts will be credited on the date of Admission and it is expected that, where Shareholders have requested them, certificates in respect of the New Ordinary Shares to be held in certificated form will be despatched during the week commencing 6 April 2015. Pending receipt by Shareholders of definitive share certificates, if issued, the Registrar will certify any instruments of transfer against the register of members.

## **10. MONEY LAUNDERING**

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

Each of the Company and its agents, including the Manager and Jefferies, reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's Ordinary Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Company's agents, including the Manager and Jefferies, may refuse to accept a subscription for Ordinary Shares, or may refuse the transfer of Ordinary Shares held by any such Shareholder.

## **11. ISA, SSAS AND SIPP**

The New Ordinary Shares will, on Admission, be "qualifying investments" for the stocks and shares component of an ISA (subject to applicable subscription limits) provided that they have been acquired by purchase in the market (which, for these purposes, will include any Ordinary Shares acquired directly under the Offer for Subscription but not any Ordinary Shares acquired directly under the Placing).

Save where Ordinary Shares are being acquired using available funds in an existing ISA, an investment in Ordinary Shares by means of an ISA is subject to the usual annual subscription limits applicable to new investments into an ISA. The Ordinary Shares will be permissible assets for SIPP and SSAS.

The Board will use its reasonable endeavours to manage the affairs of the Company so as to enable this status to be maintained.

## **12. TYPICAL INVESTOR**

An investment in the Ordinary Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

## **PART 3**

### **THE SHARE ISSUANCE PROGRAMME**

#### **1. INTRODUCTION**

Under the Share Issuance Programme, the Company can issue up to 350 million Ordinary Shares in Tranches. Each Tranche will comprise a placing on similar terms to the Placing and may, at the discretion of the Company in consultation with Jefferies comprise an open offer component and/or an offer for subscription component on similar terms to the Offer for Subscription.

104,761,904 Ordinary Shares were issued as a Tranche under the Share Issuance Programme on 2 December 2014. The New Ordinary Shares are also being issued as a Tranche under the Share Issuance Programme. Following the Issue, this will leave a total of 108,874,460 Ordinary Shares available under the Share Issuance Programme (assuming the Issue achieves its target size).

The Share Issuance Programme has been implemented in order to allow the Company to tailor future equity issuance to its immediate pipeline, providing flexibility and minimising cash drag. Any funds raised will be invested in accordance with the Company's Investment Policy, as described in the Registration Document.

The total net proceeds of the Share Issuance Programme will depend on the number of Ordinary Shares issued throughout the Share Issuance Programme, the issue price of such Ordinary Shares, and the aggregate costs and commissions for each Tranche. The total net proceeds of the Share Issuance Programme to date are £107.8 million, which will increase to £254.8 million if the Issue meets its target size of £150 million.

Assuming that the maximum number of Ordinary Shares available under the Share Issuance Programme are issued at an issue price of 103 pence per Ordinary Share with aggregate costs and commissions of £7.2 million (being two per cent. of the gross issue proceeds), the total net proceeds of the Share Issuance Programme would be £353.3 million.

The size and frequency of any further Tranche, and of any further placing, open offer or offer for subscription component of such Tranche, will be determined in the sole discretion of the Company in consultation with Jefferies.

#### **2. TERMS OF THE SHARE ISSUANCE PROGRAMME**

The Share Issuance Programme opened on 8 July 2014 and it is anticipated that there will be a separate closing for each Tranche such that Ordinary Shares will be allotted on such dates as are determined by the Directors until the earliest to occur of: (a) the first anniversary of the date of the Registration Document; (b) the date on which an aggregate of 350 million Ordinary Shares have been admitted to trading on the premium segment of the Official List; and (c) such other date as may be agreed between Jefferies and the Company. Issuances may take place at any time prior to the final closing date as set out above. In relation to a Tranche, a new securities note and new summary will, to the extent necessary, be published and an announcement will be released through a Regulatory Information Service, including details of the number of Ordinary Shares allotted and the applicable issuance price.

The issue of Ordinary Shares under the Share Issuance Programme is not being underwritten and, as at the date of this Securities Note, the actual number of Ordinary

Shares to be issued under the Share Issuance Programme is not known (other than the 104,761,904 Ordinary Shares issued on 2 December 2014). The number of Ordinary Shares available under the Share Issuance Programme should not be taken as an indication of the number of Ordinary Shares finally to be issued.

Ordinary Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with the existing Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

The issuance of each Tranche of Ordinary Shares pursuant to the Share Issuance Programme is conditional upon, *inter alia*:

- (a) admission of the Ordinary Shares issued pursuant to such Tranche;
- (b) the Placing Agreement having become unconditional in respect of the relevant Tranche and not having been terminated in accordance with its terms before the relevant admission; and
- (c) in relation to non-pre-emptive offerings, the issue price being non-dilutive to the then current Net Asset Value per Ordinary Share, after taking into account the associated issue expenses.

In circumstances in which these conditions are not fully met, the relevant issue of Ordinary Shares pursuant to the Share Issuance Programme will not take place.

The Share Issuance Programme will be suspended at any time when the Company is unable to issue Ordinary Shares pursuant to the Share Issuance Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

The total number of Ordinary Shares issued in any Tranche will be determined at the discretion of the Directors in consultation with the Joint Financial Advisers and the Manager after taking into account demand for the Ordinary Shares and prevailing economic and market conditions.

Ordinary Shares issued in any Tranche may be held in certificated form or in uncertificated form. Assuming the conditions of a Tranche are met and admission occurs, all Ordinary Shares will be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities regardless of whether they are held in certificated form or in uncertificated form.

### **3. THE SHARE ISSUANCE PROGRAMME TIMETABLE**

The Share Issuance Programme opened on 8 July 2014 and will close on the earliest to occur of: (a) the first anniversary of the date of the Registration Document; (b) the date on which an aggregate of 350 million Ordinary Shares have been admitted to trading; and (c) such other date as may be agreed between Jefferies and the Company. No Ordinary Shares will be issued at a discount to the prevailing Net Asset Value per Ordinary Share. Notification of any extension will be via a Regulatory Information Service announcement.

Allotment and issuances may take place at any time prior to the final closing date or the first anniversary of the date of the Registration Document. An announcement of each allotment and issue will be released through a Regulatory Information Service, including



details of the number of Ordinary Shares allotted and issued and the applicable issue price for the allotment and issue.

#### **4. THE ISSUE PRICE AND ISSUE COSTS**

It is intended that the price at which Ordinary Shares are issued on a non-pre-emptive basis under the Share Issuance Programme will always represent a premium to the prevailing Net Asset Value per Ordinary Share. The commissions and costs for each Tranche will be capped at two per cent. of the gross proceeds of such Tranche.

#### **5. GENERAL INFORMATION RELATING TO THE SHARE ISSUANCE PROGRAMME**

The Company, the Manager and the Joint Financial Advisers have entered into the Placing Agreement, pursuant to which Jefferies has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Ordinary Shares made available under any placing component of the Share Issuance Programme.

Applications under each Tranche will, depending upon whether the application is in respect of a placing or offer for subscription component of a Tranche, be on the terms and conditions set out in the Parts 6 to 7 of this Securities Note as applicable, as modified by any relevant supplementary prospectus or securities note applicable to the relevant Tranche.

The basis of allocation under each Tranche shall be determined by the Directors in consultation with the Joint Financial Advisers. The Directors in consultation with the Joint Financial Advisers may scale back subscriptions at their discretion and, in any event, will scale back subscriptions at their discretion if subscriptions under the Share Issuance Programme exceed the maximum number of Ordinary Shares available under the Share Issuance Programme.

To the extent that any application for subscription is rejected in whole or in part, or the Directors determine in their absolute discretion that any Tranche should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

Subject to those matters on which each Tranche is conditional, the Directors, in consultation with the Joint Financial Advisers may postpone the closing date for such Tranche.

#### **6. OVERSEAS INVESTORS**

The attention of persons resident outside the UK is drawn to the notices to investors set out on pages 14 to 16 of this Securities Note which set out restrictions on the holding of Ordinary Shares by such persons in certain jurisdictions.

In particular investors should note that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons.



## **7. TYPICAL INVESTOR**

An investment in the Ordinary Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

## PART 4

### TAXATION INFORMATION

#### 1. UK TAXATION

The statements set out below are intended only as a general guide to certain aspects of current UK tax law and HM Revenue & Customs (“**HMRC**”) published practice as at the date of this Securities Note and apply only to certain Shareholders resident for tax purposes in the UK (save where express reference is made to non-UK resident persons). The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding Shares. Prospective purchasers of Ordinary Shares are advised to consult their own independent tax advisers concerning the consequences under UK tax law of the acquisition, ownership and disposition of Ordinary Shares.

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

#### 2. UK TAXATION OF PIDS

##### 2.1 *UK taxation of Shareholders who are individuals*

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

##### 2.2 *UK taxation of corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a property business (as defined in Part 4 of Corporation Tax Act 2009) (“**Part 4 property business**”). A PID is, together with any property income distribution from any other company to which Part 12 of the Corporation Tax Act 2010 applies, treated as a separate Part 4 property business. Income from any other Part 4 property business (a “**different UK property business**”) carried on

by the relevant Shareholder must be accounted for separately. This means that any surplus expenses from a Shareholder's different Part 4 property business cannot be offset against a PID as part of a single calculation of the Shareholder's Part 4 property business profits.

### 2.3 *UK taxation of Shareholders who are not resident for tax purposes in the UK*

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

## 3. **WITHHOLDING TAX**

### 3.1 *General*

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

### 3.2 *Shareholders solely resident in the UK*

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

### 3.3 *Shareholders who are not resident for tax purposes in the UK*

It is not possible for a Shareholder to make a claim under a double taxation convention for a PID to be paid by the Company gross or at a reduced rate. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation convention between the UK and the country in which the Shareholder is resident.

### 3.4 *Exceptions to requirement to withhold income tax*

Shareholders should note that in certain circumstances the Company is not required to withhold income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, or a charity or a company resident for tax purposes outside the UK with a permanent establishment in the UK which is required to bring the PID into account in computing its chargeable profits. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an Individual Savings Account ("**ISA**"), the plan manager of a Personal Equity Plan ("**PEP**"), or the account provider for a Child Trust Fund, in each case, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant fund, scheme, account or plan.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Registrars). Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

#### **4. UK TAXATION OF NON-PID DIVIDENDS**

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

A UK resident individual Shareholder who is liable to income tax at the higher rate will be liable to tax on the gross dividend at the rate of 32.5 per cent. A UK resident individual Shareholder who is liable to tax at the “additional” rate will be liable to tax on the gross dividend at the rate of 37.5 per cent. from 6 April 2013. The gross dividend will generally be regarded as the top slice of the Shareholder’s income. After taking into account the 10 per cent. tax credit, a higher rate tax payer will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the net cash dividend received). An individual paying “additional” rate income tax will have to account, after taking into account the 10 per cent. tax credit, for tax equal to 27.5 per cent. of the gross dividend (which is also equal to approximately 30.56 per cent. of the net cash dividend received).

It will not be possible for UK resident Shareholders to claim repayment of the tax credit in respect of Non-PID Dividends.

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

The Company will not be required to withhold tax at source when paying a Non-PID Dividend (whether in cash or in the form of a stock dividend).

#### **5. UK TAXATION OF CHARGEABLE GAINS, STAMP DUTY AND STAMP DUTY RESERVE TAX IN RESPECT OF ORDINARY SHARES IN THE COMPANY**

##### **5.1 *UK taxation of chargeable gains***

For the purpose of UK tax on chargeable gains, the amount paid by a Shareholder for Ordinary Shares will constitute the base cost of his holding. If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise. This will depend on the base cost which can be allocated against the proceeds, incidental costs

of acquisition and disposal, the Shareholder's circumstances and any reliefs to which they are entitled. In the case of corporate Shareholders, indexation allowance will apply to the amount paid for the Ordinary Shares.

The current rate of tax is up to 28 per cent. for individuals, trustees and personal representatives and up to 21 per cent. (reducing to 20 per cent. from 1 April 2015) for corporate Shareholders.

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

Individual Shareholders who are temporarily not UK resident may be liable to UK capital gains tax on chargeable gains realised on their return to the UK.

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

## 5.2 *UK stamp duty and UK stamp duty reserve tax ("SDRT")*

No UK stamp duty or stamp duty reserve tax will generally be payable on the issue, allotment and registration of the Ordinary Shares.

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

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

Transfers on sale of Ordinary Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

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

## **6. ISA ELIGIBILITY**

Pursuant to the Individual Savings Account (Amendment No. 3) Regulations 2013, shares issued by a company that are admitted to trading on a recognised stock exchange are qualifying investments for ISA purposes. Ordinary Shares in the Company will be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities and will, therefore, qualify to be held within the stocks and shares component of an ISA.

## **7. CONDUCT OF BUSINESS**

The Directors intend that the Company's business will be carried on to enable the Company to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder) such that all of the conditions required to ensure the Company is treated as a REIT as broadly summarised above are satisfied.

## PART 5

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

- 1.1 The Company and each of the Directors, whose names and functions appear on page 11 of this Securities Note accept responsibility, both individually and collectively, for the information contained in the Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Manager accepts responsibility for the Manager's Statements. To the best of the knowledge and belief of the Manager (who has taken all reasonable care to ensure that such is the case), such Manager's Statements are in accordance with the facts and do not omit anything likely to affect the import of such information.

#### 2. SHARE CAPITAL

The Company's share capital as at the date of this Securities Note and as it will be immediately following Admission (assuming Gross Proceeds of £150 million are raised) is as follows:

<i>At the date of this Securities Note</i>		<i>Immediately following Admission</i>	
<i>Number of</i>	<i>Aggregate</i>	<i>Number of</i>	<i>Aggregate</i>
<i>Ordinary Shares</i>	<i>nominal value</i>	<i>Ordinary Shares</i>	<i>nominal value</i>
470,495,220	£4,704,952	606,858,856	£6,068,589

- 2.1 The share capital of the Company as of 14 September 2012 (the date of its incorporation) was made up of 50,000 ordinary shares of £1.00 each held by the Manager and Tritax Assets.
- 2.2 The following changes in the share capital of the Company have taken place between 14 September 2012 and the date of this Securities Note:
- (a) on 9 December 2013:
- (i) the share capital of the Company was sub-divided from 50,000 ordinary shares of £1.00 each into 5,000,000 Ordinary Shares in accordance with the resolution noted in paragraph 2.3(a) below;
  - (ii) the Company issued 200,000,000 Ordinary Shares by way of a placing and offer for subscription at an issue price of 100 pence per Ordinary Share in accordance with the resolutions noted in paragraphs 2.3(b) and 2.3(d) below; and
  - (iii) the Company carried out a buy-back of the incorporation shares with a nominal value of £50,000 held by Tritax Assets and the Manager pursuant to a share buy-back agreement dated 18 November 2013 and in accordance with the resolution noted in paragraph 2.3(h) below;
- (b) on 4 June 2014, the Company issued 19,980,000 Ordinary Shares at an issue price of 104 pence per Ordinary Share in accordance with the resolutions noted in paragraphs 2.3(c) and 2.3(e) below;



- (c) on 25 July 2014, the Company issued 145,631,068 Ordinary Shares at an issue price of 103 pence per Ordinary Share in accordance with the resolutions noted in paragraphs 2.5(a) and 2.5(c) below;
- (d) on 7 October 2014, the Company issued 122,248 Ordinary Shares at an issue price of 100 pence per Ordinary Share in accordance with the resolutions noted in paragraphs 2.5(b) and 2.5(d) below; and
- (e) on 2 December 2014, the Company issued 104,761,904 Ordinary Shares at an issue price of 105 pence per Ordinary Share in accordance with the resolutions noted in paragraphs 2.5(b) and 2.5(d) below.

2.3 On 18 November 2013, resolutions of the Company were passed for the following purposes (which were conditional upon the IPO taking place on or before 20 December 2013):

- (a) that the share capital of the Company be altered by the sub-division of all the 50,000 ordinary shares of £1.00 each into 5,000,000 Ordinary Shares;
- (b) that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal value of £2,000,000 pursuant to the placing and offer for subscription in connection with the IPO, such authorities to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;
- (c) that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot:
  - (i) shares in the Company and grant rights to subscribe for or to convert any securities into shares in the Company up to a maximum aggregate nominal value of £666,666, or, if less, the nominal value of one-third of the issued share capital of the Company immediately following the IPO; and
  - (ii) equity securities of the Company (within the meaning of section 560 of the Companies Act) up to an aggregate nominal amount which is an amount equal to the aggregate nominal value of £1,333,333 or, if less, the nominal value of two thirds of the issued share capital of the Company immediately following the IPO (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph 4.4(c)(i)) in connection with an offer by way of a rights issue to:
    - (A) the holders of shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of shares held by them; and
    - (B) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or

practical problems in, or under the laws of, any territory or any other matter,

such authorities to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;

- (d) that the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution referred to at paragraph 4.4(a), up to an aggregate nominal amount of £2,000,000, as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;
- (e) that the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash:
  - (i) pursuant to the authority conferred by the resolution referred to at paragraph 4.4(c); or
  - (ii) where the allotment constitutes an allotment by virtue of section 560(3) of the Companies Act,

in each case as if section 561 of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:

- (A) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph 2.3(c)(ii), such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:
  - (I) the holders of shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of shares held by them; and
  - (II) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (B) the allotment of equity securities, other than pursuant to paragraph 2.3(e)(ii)(A), up to an aggregate nominal amount of £200,000, or, if less, the nominal value of 10 per cent. of the issued share capital of the Company immediately following the IPO,

such power to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;

- (f) that the Company be authorised for the purpose of section 701 of the Companies Act to make market purchases (as defined in section 693(4) of the Companies Act) of shares on such terms and in such manner as the Directors may from time to time determine and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 728 of the Companies Act, provided that:
  - (i) the maximum number of shares authorised to be purchased under the authority is the lower of 29,980,000 or 14.99 per cent. of the number of issued shares following the IPO;
  - (ii) the minimum price (exclusive of expenses) which may be paid for such shares is £0.01 per share, being the nominal amount thereof; and
  - (iii) the maximum price (exclusive of expenses) which may be paid for such shares is an amount equal to the higher of:
    - (A) five per cent. above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
    - (B) the price stipulated by Article 5(1) of the Buyback and Stabilisation Regulations (Commission Regulation (EC) of 22 December 2003),
 such authorities to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;
- (g) that the amount standing to the credit of the share premium account of the Company be cancelled; and
- (h) that the terms of a share buy-back agreement under which the Company would become entitled and obliged to purchase from each of Tritax Assets and the Manager shares in the Company with a nominal value of £50,000 be approved and the Company be authorised to enter into such agreement and to fulfill all its obligations under such agreement, such authority to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution.

2.4 On 24 June 2014, resolutions of the Company were passed at the annual general meeting for the following purposes:

- (a) that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot:
  - (i) shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £666,666; and
  - (ii) allot equity securities of the Company (as defined in section 560 of the Companies Act) up to an aggregate nominal amount of £1,333,333 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph 2.4(a)(i)) in connection with an offer by way of a rights issue to:

- (A) the holders of shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of shares held by them; and
- (B) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority) and to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;

- (b) that the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash:
  - (i) pursuant to the authority conferred by resolution 2.4(a) above; or
  - (ii) where the allotment constitutes an allotment by virtue of section 560(3) of the Companies Act,

in each case as if section 561 of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:

- (A) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph 2.4(a)(ii) above, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:
  - (I) the holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them; and
  - (II) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (B) the allotment of equity securities, other than pursuant to paragraph 2.4(b)(ii)(A), up to an aggregate nominal amount of £200,000,

such power to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution;

- (c) that the Company be authorised for the purpose of section 701 of the Companies Act to make market purchases (as defined in section 693(4) of the Companies Act) of shares on such terms and in such manner as the Directors may from time to time determine and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 728 of the Companies Act, provided that:
  - (i) the maximum number of shares authorised to be purchased under the authority is 30,000,000;
  - (ii) the minimum price (exclusive of expenses) which may be paid for such shares is £0.01 per share, being the nominal amount thereof; and
  - (iii) the maximum price (exclusive of expenses) which may be paid for such shares is an amount equal to the higher of:
    - (A) five per cent. above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
    - (B) the price stipulated by Article 5(1) of the Buyback and Stabilisation Regulations (Commission Regulation (EC) of 22 December 2003),

such authorities to expire at the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution; and
- (d) that a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

2.5 On 25 July 2014, resolutions of the Company were passed at a general meeting for the following purposes (which were conditional upon the 2014 Admission taking place on or before 31 August 2014):

- (a) that, in substitution for all previous authorities, the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal value of £1,456,310.68 pursuant to a placing, open offer and offer for subscription, such authority to expire on 31 August 2014 unless renewed at a general meeting prior to such time;
- (b) that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal value of £3,500,000 pursuant to the Share Issuance Programme and for premium management purposes, such authority to expire on 24 November 2015 unless renewed at a general meeting prior to such time;
- (c) that, in substitution for all previous authorities, the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution referred to at paragraph 2.5(a), as if section 561 of the Companies Act did not apply to any such

allotment, such power to expire on 31 August 2014 unless renewed at a general meeting prior to such time;

(d) that the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution referred to at paragraph 2.4(b), as if section 561 of the Companies Act did not apply to any such allotment, such power to expire on 24 November 2015 unless renewed at a general meeting prior to such time; and

(e) that the Articles be adopted in substitution for, and to the exclusion of, the existing articles of association of the Company.

2.6 The Companies Act abolished the requirement for companies incorporated in England and Wales to have an authorised share capital. Furthermore, the Articles do not contain a provision expressly limiting the number of shares that can be issued by the Company.

2.7 No shares in the capital of the Company are held by or on behalf of the Company.

2.8 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.

2.9 As at the date of this Securities Note, the Company's issued share capital consists of 470,495,220 Ordinary Shares of £0.01 each, all of which shall be paid up on Admission.

### 3. INTERESTS OF MAJOR SHAREHOLDERS

3.1 Other than as set out in the table below, as at 5 March 2015 (being the last practicable date prior to the date of this Securities Note), the Company was not aware of any person who was directly or indirectly interested in 3 per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital (%)</i>
Aviva plc*	47,011,022	9.99%
Quilter Cheviot Limited	26,251,375	5.58%
East Riding of Yorkshire Council	26,097,353	5.55%
Smith & Williamson Holdings Limited	25,096,720	5.33%
Vestra Wealth LLP	21,862,215	4.65%
Killik & Co LLP	21,512,256	4.57%
Brooks Macdonald Group plc	18,608,622	3.96%
CCLA Investment Management Limited**	18,260,520	3.88%
Baillie Gifford & Co Limited	17,616,000	3.74%
Artemis Investment Management LLP***	15,256,711	3.24%

\*Including shares held by Aviva plc's subsidiaries BNY (Nominees) Limited, BNY Norwich Union Nominees Limited, Chase (GA Group) Nominees Limited, CUIM Nominee Limited, Vidacos Nominees Limited, BNP Paribas – London, Chase Nominees Limited.

\*\*Held on behalf of CBF Investment Fund, COIF Charities Investment Fund, COIF Charities Ethical Investment Fund, Diocesan West Equity, The LankellyChase Foundation, The Land Trust Equity and South & Nott Equity.

\*\*\*Held on behalf of discretionary funds under management.



- 3.2 Pursuant to the Companies Act, the Company (as a public limited company) must not allot shares except as paid up at least to one quarter of their nominal value and the whole of any premium. A share is deemed to be paid up (as at its nominal value and any premium on it) in cash if an undertaking is given to pay cash to the Company at a future date.
- 3.3 Other than as disclosed as above, the Company and its Directors are not aware of any person who as at 5 March 2015 (being the latest date practicable prior to the publication of this Securities Note), directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor are they aware of any arrangements, the operation of which may at a subsequent date result in a change of control by the Company.
- 3.4 There are no differences between the voting rights enjoyed by the persons set out in the table above and those to be enjoyed by the Shareholders on Admission.

#### **4. DIRECTORS' INTERESTS**

- 4.1 Save as set out in the table below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at 5 March 2015 (being the last practicable date prior to the date of this Securities Note):

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital (%)</i>
Richard Jewson	40,000	0.01
Jim Prower	23,760	0.01
Mark Shaw	172,821	0.04

- 4.2 No directors intend to participate in the Issue.

#### **5. RIGHTS ATTACHED TO ORDINARY SHARES**

##### **5.1 Articles**

A full description of the rights attached to Ordinary Shares is set out in the summary of the Articles in paragraph 7 of Part 8 of the Registration Document.

##### **5.2 Dividends**

###### **(a) Final dividends**

Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends (including scrip dividends) to be paid to Shareholders according to their respective rights and interests but no such dividends shall exceed the sum recommended by the Board.

###### **(b) Interim dividends**

In so far as in the opinion of the Board the profits of the Company justify such payments, the Board may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of such dividends and may also from time to time declare and pay interim dividends on shares of any class of such sums and on such dates and in respect of such periods as it thinks fit. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the



lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

(c) Ranking of shares for dividend

Unless and to the extent that the rights attached to any shares or the terms of issue of such shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the sums paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For this purpose no sum paid on a share in advance of calls shall be treated as paid on the share.

(d) No dividend except out of profits

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Companies Act.

(e) No interest on dividends

No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

(f) Retention of dividends

The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or obligations in respect of which the lien exists. The Board may retain the dividends payable upon shares in respect of which any person is under the provisions in the Articles as to the transmission of shares entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

(g) Waiver of dividend

The waiver in whole or in part of any dividend on any share by any document (whether or not executed as a deed) shall be effective only if such document is signed by the holder of such share (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

(h) Unclaimed dividend

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend unclaimed after a period of twelve years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.

(i) Distribution *in specie*

The Company may upon the recommendation of the Board by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Board shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular:

- (i) may issue fractional certificates;
- (ii) may fix the value for distribution of such specific assets or any part of such specific assets;
- (iii) may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all members; and
- (iv) may vest any such specific assets in trustees as may seem expedient to the Board.

5.3 *Votes of members*

Subject to the provisions of the Companies Act and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by the Articles:

- (a) on a show of hands every member who is present in person shall have one vote;
- (b) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution shall have one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he shall have one vote for and one vote against the resolution;
- (c) every corporate representative present who has been duly authorised by a corporation shall have the same voting rights as the corporation would be entitled to; and
- (d) on a poll every member who is present in person or by duly appointed proxy or corporate representative shall have one vote for every share of which he is the holder or in respect of which his appointment of proxy or corporate representative has been made.

A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

5.4 *New shares*

All new shares shall be subject to the provisions of the Companies Act and of the Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

## 5.5 *Transfer of shares*

### (a) Form of transfer

Subject to the provisions in the Articles regarding uncertificated shares, all transfers of certificated shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. In relation to both certificated and uncertificated shares, the transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register in respect of such shares. All instruments of transfer which are registered may be retained by the Company.

### (b) Right to refuse registration

The Board may in its absolute discretion refuse to register any transfer of any certificated share which is not a fully paid share provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to the London Stock Exchange's main market for listed securities and/or the Official List of the CISEA on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

### (c) Other rights to decline registration

The Board may decline to recognise any instrument of transfer relating to certificated shares unless the instrument of transfer:

- (i) indicates to the Board that the transferee is a Non-Qualified Holder;
- (ii) is in respect of only one class of share;
- (iii) is lodged at the registered office of the Company or such other place as the Board may appoint;
- (iv) is accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
- (v) is duly stamped (if so required); and
- (vi) in the case of a transfer to joint holders, the number of joint holders does not exceed four.

The Board may, under the Articles, decline to recognise any instrument of transfer relating to certificated shares to any person whose holding or beneficial ownership of shares may result in: (i) the Company, the Manager or the Investment Adviser or any member of its group being in violation of, or required to register under, the Investment Company Act or the US Commodity Exchange Act of 1974, as amended (the “**US CEA**”) or being required to register its shares under the US Exchange Act; (ii) the Company not being a “foreign private issuer” as such term is defined in Rule 3b-4(c) of the US Exchange Act; (iii) the assets of the

Company being deemed to be “plan assets” within the meaning of ERISA and US Department of Labor Regulations and guidance issued thereunder, including, but not limited to 29 C.F.R. 2510, 3-101, or of a “plan” within the meaning of Section 4975 of the US Tax Code, or of a plan or other arrangement subject to Section 503 of the US Tax Code or provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the US Tax Code; (iv) the Company, or any member of its group, the Manager or the Investment Adviser not being in compliance with FATCA, the Investment Company Act, the US Exchange Act, the US CEA, Section 4975 of the US Tax Code, Section 503 of the US Tax Code, ERISA or any applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA, Section 503 of the US Tax Code or Section 4975 of the US Tax Code; or (v) the Company being a “controlled foreign corporation” for the purposes of the US Tax Code (such persons being **“Non Qualified Holders”**).

If a Shareholder becomes, or holds Shares on behalf of, a Non-Qualified Holder, such Shareholder shall notify the Board immediately. If it shall come to the notice of the Board that any Shares are owned directly, indirectly, or beneficially by a Non-Qualified Holder, the Board may give notice to such person requiring him either: (i) to provide the Board with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder; or (ii) to sell or transfer his shares to a person who is not a Non-Qualified Holder and to provide the Board with satisfactory evidence of such sale or transfer. Pending such sale or transfer the Board may suspend the exercise of any voting or consent rights and rights to receive notice of, or attend, meetings of the Company and any rights to receive dividends or other distributions with respect to such Shares, and the Shareholder shall repay the Company any amounts distributed to such Shareholder by the Company during the time such holder held such Shares. If any person upon whom such a notice is served does not either: (i) transfer his Shares to a person who is not a Non-Qualified Holder; or (ii) establish to the satisfaction of the Board that he is not a Non-Qualified Holder, the Board may determine that: (a) such person shall be deemed to have forfeited his Shares and the Board shall be empowered at their discretion to follow the forfeiture procedures; or (b) to the extent permitted under the Regulations, the Board may arrange for the Company to sell the Shares at the best price reasonably obtainable to any other person so that the Shares will cease to be held by a Non-Qualified Holder, in which event the Company may, but only to the extent permitted under the Regulations, take any action whatsoever that the Board considers necessary in order to effect the transfer of such Shares by the holder of such Shares, and the Company shall pay the net proceeds of sale to the former holder upon its receipt of the sale proceeds and the surrender by him of the relevant share certificate or, if no certificate has been issued, such evidence as the Board may reasonably require to satisfy themselves as to his former entitlement to the share and to such net proceeds of sale and the former holder shall have no further interest in the relevant shares or any claim against the Company in respect thereof.

## **6. MANDATORY BIDS AND COMPULSORY ACQUISITION**

### **6.1 *Mandatory bids***

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- (a) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the offeror and, depending on the circumstances, his concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the offeror or his concert parties during the previous 12 months.

### **6.2 *Compulsory acquisitions***

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

## **7. WORKING CAPITAL**

The Company is of the opinion that the working capital available to the REIT Group is sufficient for its present requirements, that is for at least the twelve months from the date of this Securities Note.

## 8. CAPITALISATION AND INDEBTEDNESS

The following table shows the consolidated gross indebtedness of the Group as at 31 December 2014 and the consolidated Group capitalisation as at 31 December 2014. The figures for capitalisation and indebtedness have been extracted without material adjustment from the consolidated financial statements for the year ended 31 December 2014, which are incorporated in full in the Supplementary Prospectus.

	<i>As at 31 December 2014 (audited) (£'000)</i>
<b>Total non-current debt (excluding current portion of long-term debt):</b>	
Loans and borrowings	
– Secured <sup>(1)(2)</sup>	203,644
<b>Total indebtedness</b>	<u>203,644</u>
	<i>As at 31 December 2014 (audited)</i>
<b>Capitalisation<sup>(3)</sup>:</b>	
– Share capital	4,705
– Legal reserve <sup>(4)</sup>	272,536
– Other reserve <sup>(5)</sup>	184,444
<b>Total capitalisation</b>	<u>461,685</u>

(1) There are no guarantees over the non-current borrowings of the Group.

(2) Each individual loan is secured against an individual asset of the Group. The assets secured as at 31 December 2014 have an aggregate value of £469.1 million.

(3) Capitalisation does not include retained earnings.

(4) Comprises the share premium reserve.

(5) Comprises the capital reduction reserve.

The following table shows the consolidated Group net financial indebtedness as at 31 December 2014.

	<i>As at 31 December 2014 (audited) (£'000)</i>
Cash <sup>(1)</sup>	98,616
<b>Net current financial liquidity</b>	<u>98,616</u>
Non-current bank loans	203,644
<b>Non-current financial indebtedness</b>	<u>203,644</u>
<b>Net financial indebtedness</b>	<u>105,028</u>

(1) Cash includes restricted cash of £4,310,000.

The Group also has interest rate derivatives asset not reflected in the analysis above with a fair value of £2,379,000 at 31 December 2014.

As at 31 December 2014, the Group had no material indirect or contingent indebtedness.

## 9. INTERMEDIARIES

The Intermediaries authorised at the date of this Securities Note to use the Prospectus in connection with the Offer for Subscription are:

<i>Name</i>	<i>Address</i>
AJ Bell Securities Limited	Trafford House, Chester Road, Manchester M32 0R5
Alliance Trust Savings Limited	PO Box 164, 8 West Marketgait, Dundee, DD1 9YP
Barclays Bank plc	1 Churchill Place, London E14 5HP
Cornhill Capital Limited	4th Floor, 18 St Swithins Lane, London EC4N 8AD
Equiniti Financial Services Limited	Suite 1/1, 3 Minster Court, Mincing Lane, London EC3R 7DD
iDealing.com Ltd	4 Thomas More Square, London E1 7HY
Interactive Investor Trading Ltd	Standon House, 21 Mansell Street, London E1 8AA
SVS Securities PLC	110 Fenchurch Street, London EC3M 5JT

## 10. THIRD PARTY INFORMATION

Where information has been referenced in this Securities Note, the source of that third party information has been disclosed. All information contained in this Securities Note that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## 11. CONSENTS

The Manager has given and not withdrawn its written consent to the inclusion in this Securities Note of references to its name in the form and context in which they appear.

## 12. GENERAL

- 12.1 On the assumption that Gross Proceeds of £150 million are raised pursuant to the Issue, the expenses payable by the Company will not exceed £3 million (being 2 per cent. of the Gross Proceeds), resulting in Net Proceeds of approximately £147 million.
- 12.2 The actual Net Proceeds are not known as at the date of this Securities Note but will be notified by the Company via a Regulatory Information Service announcement prior to Admission.
- 12.3 The total net proceeds of the Share Issuance Programme will depend on the number of Ordinary Shares issued throughout the Share Issuance Programme, the issue price of such Ordinary Shares, and the aggregate costs and commissions for each Tranche. The total net proceeds of the Share Issuance Programme to date are £107.8 million, which will increase to £254.8 million if the Issue meets its target size of £150 million.
- 12.4 Assuming that the maximum number of Ordinary Shares available under the Share Issuance Programme are issued at an issue price of 103 pence per Ordinary Share with aggregate costs and commissions of £7.2 million (being two per cent. of the gross issue proceeds), the total net proceeds of the Share Issuance Programme would be £353.3 million.
- 12.5 The accounting reference date of the Company is 31 December.



### **13. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Securities Note up to and including the date of Admission:

- (a) the Articles;
- (b) this Securities Note, the Registration Document and the Summary; and
- (c) the letter referred to in paragraph 11 of this Part 5.

Dated 6 March 2015

## PART 6

### UPDATES TO THE REGISTRATION DOCUMENT

In accordance with Rule 2.2.4 of the Prospectus Rules and on the basis that the Registration Document was approved by the FCA in the last 12 months, this Part 6 contains information that is required to be included in this Securities Note in accordance with Rule 2.2.5 of the Prospectus Rules in respect of material changes and recent developments since the date of the Registration Document that could affect investor's assessments of the Company.

#### 1. PORTFOLIO

- 1.1 Since the 2014 Admission, the Company has acquired nine additional assets in its Portfolio. As at the date of this Securities Note, the Company's Portfolio comprises the following assets:

<i>Tenant</i>	<i>Location</i>	<i>Month of acquisition</i>	<i>Size (sq ft)</i>	<i>Tenure</i>	<i>Market valuation as at 31 December 2014</i>
Sainsbury's Supermarket Ltd	Leeds	Dec 2013	571,522	Freehold	£57,160,000
Marks & Spencer plc	Castle Donington	Dec 2013	906,240	Freehold	£90,550,000
Tesco Stores Ltd	Chesterfield	Mar 2014	501,751	Freehold	£31,500,000
Tesco Distribution Ltd	Didcot	Apr 2014	288,295	Freehold	£31,560,000
Next Group Plc	Doncaster	Jun 2014	755,055	Freehold	£65,050,000
Wm Morrison Supermarkets Ltd	Sittingbourne	Jun 2014	919,443	999 year leasehold	£110,150,000
DHL Supply Chain Ltd	Langley Mill	Aug 2014	255,680	Freehold	£19,625,000
DHL Supply Chain Ltd	Skelmersdale	Aug 2014	470,385	Freehold	£31,750,000
Wolseley UK Ltd	Ripon	Aug 2014	221,763	Freehold	£13,210,000
Rolls-Royce Motor Cars Ltd*	Bognor Regis	Oct 2014	313,220	Freehold	£37,500,000
CDS (Superstores International) Ltd (The Range)	Thorne	Nov 2014	750,431	Freehold	£50,050,000
Tesco Stores Ltd	Middleton	Dec 2014	302,111	Freehold	£23,375,000
Kuehne & Nagel Ltd	Dove Valley Park	Dec 2014	343,248	Freehold	£30,500,000
L'Oreal (UK) Ltd	Trafford Park	Dec 2014	261,959	Freehold	£27,300,000
<b>Total</b>			<b>6,861,103</b>		<b>£619,280,000</b>

\* forward funded development project

- 1.2 In addition, in January 2015, the Company exchanged contracts (conditional on detailed planning consent) to provide forward funding for a new distribution warehouse facility located in Erith, pre-let in its entirety to a subsidiary of Ocado. The investment price is £98.8 million.

1.3 The Company does not at the date of the Prospectus, and will not at Admission, have any investments representing more than 20 per cent. of the Company's current estimated gross assets.

1.4 Further details on these new assets can be found in the Supplementary Prospectus, which incorporates the Annual Report in full.

## 2. FACILITIES

2.1 Since the 2014 Admission, the Company has entered into five new facility agreements. As at the date of this Securities Note, the Company has the following facilities in place:

<i>Asset</i>	<i>Lender</i>	<i>Expiry date</i>	<i>Long-term debt drawn (£)</i>
Sainsburys, Leeds	Barclays	June 2018 <sup>1</sup>	23,500,000
Marks & Spencer, Castle Donington	Barclays	June 2019 <sup>2</sup>	49,275,000
Tesco, Didcot	Barclays	June 2018 <sup>1</sup>	12,240,000
Next, Doncaster	Barclays	June 2018 <sup>1</sup>	16,429,250
Morrisons, Sittingbourne	Barclays	June 2019 <sup>2</sup>	53,790,000
DHL, Langley Mill	Landesbank Hessen-Thüringen Girozentrale	November 2019	7,060,000
DHL, Skelmersdale	Landesbank Hessen-Thüringen Girozentrale	November 2019	11,600,000
Wolseley, Ripon	Santander UK	December 2019	5,500,000
The Range UK, Thorne	Barclays	November 2019	24,250,000
K&N Dove Valley	Barclays	January 2019 <sup>1</sup>	13,171,500
<b>Total</b>			<b>216,815,750</b>

1 12 month extension option available.

2 Extension option available of up to 24 months.

2.2 Further details on these new facilities can be found in the Supplementary Prospectus, which incorporates the Annual Report in full.

## 3. REIT GROUP STRUCTURE

3.1 The Company, which is the ultimate holding company of the REIT Group, has acquired the following subsidiaries since the 2014 Admission:

<i>Company</i>	<i>Company number</i>	<i>Place of incorporation</i>	<i>Percentage of ownership interest (%)</i>
Tritax Acquisition 7 Limited (SPV 7)	116284	Jersey	100.0
Tritax Ripon Limited	36449	Guernsey	100.0 <sup>1</sup>
Tritax REIT Acquisition 8 Limited (SPV 8)	9155993	United Kingdom	100.0
Tritax Acquisition 8 Limited	116356	Jersey	100.0 <sup>2</sup>
Tritax REIT Acquisition 9 Limited (SPV 9)	9155999	UK	100.0
Tritax Acquisition 9 Limited	116372	Jersey	100.0 <sup>3</sup>
Tritax REIT Acquisition 10 Limited (SPV 10)	9226417	UK	100.0
Tritax Acquisition 10 Limited	116656	Jersey	100.0 <sup>4</sup>
Tritax REIT Acquisition 11 Limited (SPV 11)	9274824	UK	100.0

<i>Company</i>	<i>Company number</i>	<i>Place of Incorporation</i>	<i>Percentage of ownership interest (%)</i>
Tritax Acquisition 11 Limited	116931	Jersey	100.0 <sup>5</sup>
Tritax REIT Acquisition 12 Limited (SPV 12)	9290618	UK	100.0
Tritax Acquisition 12 Limited	117018	Jersey	100.0 <sup>6</sup>
Tritax REIT Acquisition 13 Limited (SPV 13)	9290620	UK	100.0
Tritax Acquisition 13 Limited	117019	Jersey	100.0 <sup>7</sup>
Tritax REIT Acquisition 14 Limited (SPV 14)	9290623	UK	100.0
Tritax Acquisition 14 Limited	117020	Jersey	100.0 <sup>8</sup>
Tritax REIT Acquisition 16 Limited (SPV 16)	9338152	UK	100.0
Tritax Acquisition 16 Limited	117283	Jersey	100.0 <sup>9</sup>
Tritax REIT Acquisition 17 Limited (SPV 17)	9420104	UK	100.0
Tritax Acquisition 17 Limited	117758	Jersey	100.0 <sup>10</sup>
The Sherburn RDC Unit Trust		Jersey	100.0 <sup>11</sup>

1 Held by SPV 7.

2 Held by SPV 8.

3 Held by SPV 9.

4 Held by SPV 10.

5 Held by SPV 11.

6 Held by SPV 12.

7 Held by SPV 13.

8 Held by SPV 14.

9 Held by SPV 16.

10 Held by SPV 17.

11 Beneficially owned by TA2 and TA2(SPV).

#### **4. NET ASSET VALUE**

As at 31 December 2014, the audited Net Asset Value per Ordinary Share was 107.02 pence.

#### **5. DIVIDENDS**

- 5.1 The Company's first interim dividend of 1.85 pence per Ordinary Share was paid on 8 August 2014, for the period to 30 June 2014. The Company declared its second interim dividend of 1.50 pence per Ordinary Share on 20 November 2014 and paid it on 17 December 2014, for the period 1 July 2014 to 31 October 2014. On 23 February 2015, the Company declared its third interim dividend of 0.80 pence per Ordinary Share, payable on 18 March 2015 to Shareholders on the register on 6 March 2015, for the period 1 November 2014 to 31 December 2014.
- 5.2 On 6 March 2015, the Company declared a dividend of 1.0 pence per Ordinary Share for the period 1 January 2015 to 28 February 2015 which will be paid to Shareholders on the register on 20 March 2015.
- 5.3 The Board is targeting an initial annual dividend yield (on a fully invested and geared basis) of 6 per cent. by reference to the IPO issue price of 100 pence. The Board believes that the Company is on track to do so in 2015.
- 5.4 This projected dividend is a target only and not a profit forecast. There can be no assurance that this target will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

## **6. ISSUE PLACING AGREEMENT**

Pursuant to the Issue Placing Agreement dated 6 March 2015 between the Company, the Manager, Jefferies and Akur, and subject to certain conditions, Jefferies has agreed to use its reasonable endeavours to procure subscribers for Ordinary Shares at the Issue Price under the Placing.

In addition, under the Issue Placing Agreement, Akur has been appointed as joint financial adviser and Jefferies has been appointed as sponsor, joint financial adviser, sole global coordinator and bookrunner in connection with the proposed applications for Admission and the Issue.

The Issue Placing Agreement may be terminated by Jefferies in certain customary circumstances prior to Admission.

The obligations of the Company to issue Ordinary Shares under the Placing and the obligations of Jefferies to use its reasonable endeavours to procure subscribers for Ordinary Shares under the Placing are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission in respect of the Ordinary Shares following the Issue occurring and becoming effective by 8.00 a.m. on or prior to 23 March 2015 or such later time and/or date as the Company and Jefferies may agree; and (ii) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission.

The Company and the Manager have given warranties to Jefferies and Akur concerning, *inter alia*, the accuracy of the information contained in the Registration Document, this Securities Note and the Summary. The Company and the Manager have also given indemnities to Jefferies and Akur. The warranties and indemnities given by the Company and the Manager are customary for an agreement of this nature.

## **7. PROPOSED CHANGES TO INVESTMENT POLICY**

In response to the way in which the UK Big Box market has evolved over the period since IPO, the Company is currently consulting with Shareholders and the UKLA on certain proposed amendments to its Investment Policy so that:

- (a) the number of FTSE 350 tenants to which the Company may have a maximum 30 per cent. exposure is increased from one to two;
- (b) the aggregate maximum exposure to forward-funded assets of 25 per cent. of gross assets is deleted; and
- (c) the restriction on any use of hedging to a single asset is deleted.

Subject to a satisfactory conclusion of such consultation, the Directors propose to seek Shareholder approval for such changes (or modified proposals, as the case may be) as soon as possible thereafter.

## **PART 7**

### **TERMS AND CONDITIONS OF THE PLACING**

#### **1. INTRODUCTION**

- 1.1 Each Placee which confirms its agreement (whether orally or in writing) to Jefferies to purchase Ordinary Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 Jefferies may require any Placee procured by it to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as Jefferies (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter.

#### **2. AGREEMENT TO ACQUIRE ORDINARY SHARES**

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 23 March 2015 (or such later time and/or date as the Company and Jefferies may agree); (ii) the Issue Placing Agreement becoming otherwise unconditional in all respects (save as to Admission) and not having been terminated on or before 23 March 2015 (or such later time and/or date as Jefferies, the Company and the Manager may agree); and (iii) Jefferies confirming to Placees their allocation of Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Jefferies at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

#### **3. PAYMENT FOR ORDINARY SHARES**

Each Placee must pay the Issue Price for the Ordinary Shares issued to the Placee in the manner and by such time as directed by Jefferies. If any Placee fails to pay as so directed and/or by the time required by Jefferies, the relevant Placee's application for Ordinary Shares shall be rejected.

#### **4. REPRESENTATIONS AND WARRANTIES**

By agreeing to subscribe for Ordinary Shares, each Placee that is outside the United States and is not a US Person and which enters into a commitment with Jefferies to subscribe for Ordinary Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to Jefferies, the Registrar, the Company and the Manager and their respective officers, agents and employees that:

- (a) it is not a US Person, is not located within the United States and is not acquiring the Ordinary Shares for the account or benefit of a US Person;
- (b) it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- (c) it has received, carefully read and understands the Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other presentation or offering materials concerning the

Ordinary Shares into or within the United States or to any US Persons, nor will it do any of the foregoing;

- (d) it is relying solely on the Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Placing. It agrees that none of the Company, Jefferies, Akur, the Manager nor the Registrar nor any of their respective officers, agents or employees will have any liability for any other information, representation or statement made or purported to be made by them or on its or their behalf in connection with the Company or the Placing and irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (e) if the laws of any territory or jurisdiction outside England and Wales are applicable to its agreement to subscribe for Ordinary Shares under the Placing, it has complied with all such laws, obtained all governmental and other consents, licences and authorisations which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the breach, whether by itself, the Company, Akur, Jefferies, the Manager, the Registrar or any of their respective directors, officers, agents or employees of the regulatory or legal requirements, directly or indirectly, of any other territory or jurisdiction in connection with the Placing;
- (f) it has carefully read and understands the Prospectus in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 7 and the Articles as in force at the date of Admission and agrees that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Ordinary Shares;
- (g) it has not relied on Jefferies or any person affiliated with Jefferies in connection with any investigation of the accuracy or completeness of any information contained in the Prospectus;
- (h) the content of the Prospectus is exclusively the responsibility of the Company, the Manager and their respective directors and neither Jefferies nor Akur nor any person acting on their behalf nor any of their affiliates is responsible for or shall have any liability for any information, representation or statement contained in the Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in the Prospectus or otherwise;
- (i) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Jefferies, Akur or the Company;
- (j) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;



- (k) it acknowledges that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the Investment Company Act;
- (l) it accepts that none of the Ordinary Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- (m) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, to ensure that the Company is not and will not be required to register under the Investment Company Act;
- (n) no portion of the assets used to acquire, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (iii) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or a “plan” described in the preceding clauses (i) or (ii) in such entity, pursuant to 29. C.F.R. 2510.3-101 as modified by Section 3(42) of ERISA. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or section 4975 of the U.S. Tax Code, its acquisition, holding, and disposition of the Ordinary Shares will not constitute a violation of law or result in a non-exempt prohibited transaction under Section 503 of the U.S. Tax Code or any substantially similar law;
- (o) if any Ordinary Shares are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

TRITAX BIG BOX REIT PLC (THE “**COMPANY**”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**U.S. INVESTMENT COMPANY ACT**”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH THE PROVISIONS OF REGULATION S UNDER THE U.S. SECURITIES ACT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON, BY PRE-ARRANGEMENT OR OTHERWISE AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY

ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, UPON SURRENDER OF THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE AND DELIVERY OF A WRITTEN CERTIFICATION THAT SUCH TRANSFEROR IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS CLAUSE IN THE FORM OF A DULY COMPLETED AND SIGNED OFFSHORE TRANSACTION LETTER (THE FORM OF WHICH MAY BE OBTAINED FROM THE REGISTRAR) TO THE COMPANY, WITH COPIES TO THE REGISTRAR AND THE ADMINISTRATOR. IN ADDITION, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY PERSON USING THE ASSETS OF (I) (A) AN “**EMPLOYEE BENEFIT PLAN**” AS DEFINED IN SECTION 3(3) OF ERISA THAT IS SUBJECT TO TITLE I OF ERISA; (B) A “**PLAN**” AS DEFINED IN SECTION 4975 OF THE U.S. TAX CODE, INCLUDING AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE CODE; OR (C) AN ENTITY WHICH IS DEEMED TO HOLD THE ASSETS OF ANY OF THE FOREGOING TYPES OF PLANS, ACCOUNTS OR ARRANGEMENTS THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE OR (II) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE IF THE PURCHASE, HOLDING OR DISPOSITION OF THE SECURITIES WILL NOT RESULT IN A VIOLATION OF APPLICABLE LAW AND/OR CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 503 OF THE U.S. TAX CODE OR ANY SUBSTANTIALLY SIMILAR LAW.

- (p) if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Ordinary Shares or any beneficial interest therein, it will do so only: (i) in an “offshore transaction” complying with the provisions of Regulation S under the Securities Act to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof;
- (q) it is acquiring the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (r) if it is a resident in the European Economic Area (other than the United Kingdom), it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive;
- (s) in the case of any Ordinary Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive: (i) the Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Jefferies has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any Relevant Member State other than

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

- (t) if it is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other legal requirements;
- (u) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- (v) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Ordinary Shares under the Placing and will not be any such person on the date any such Placing is accepted;
- (w) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other offering materials concerning the Placing or the Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- (x) it represents, acknowledges and agrees to the representations, warranties and agreements in paragraph 4 of Part 7 of this Securities Note;
- (y) it acknowledges that neither Jefferies nor Akur nor any of their respective affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing, that participation in the Placing is on the basis that it is not and will not be a client of Jefferies, Akur or any of their affiliates and that Jefferies, Akur and any of their respective affiliates do not have any duties or responsibilities to a Placee for providing protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Issue Placing Agreement;
- (z) it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing by each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in the Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by Jefferies. It agrees that the provisions of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- (aa) it irrevocably appoints any director of the Company and any director of Jefferies to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares

for which it has given a commitment under the Placing, in the event of the failure of it to do so;

- (bb) it accepts that if the Placing does not proceed or the conditions to the Issue Placing Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then neither Jefferies, Akur nor the Company nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives shall have any liability whatsoever to it or any other person;
- (cc) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the UK Money Laundering Regulations in force in the United Kingdom; (ii) subject to the Money Laundering Directive (Council Directive No. 91/308/EEC) (the "**Money Laundering Directive**"); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (dd) it acknowledges that due to anti-money laundering requirements, Jefferies and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Jefferies and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Jefferies and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- (ee) Jefferies and the Company are entitled to exercise any of their rights under the Issue Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- (ff) the representations, undertakings and warranties contained in the Prospectus are irrevocable. It acknowledges that Jefferies, Akur (to the extent applicable) and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or agreements made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Jefferies and the Company;
- (gg) where it or any person acting on behalf of it is dealing with Jefferies any money held in an account with Jefferies on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Jefferies to segregate such money, as that money will be held by Jefferies under a banking relationship and not as trustee;

- (hh) any of its clients, whether or not identified to Jefferies, will remain its sole responsibility and will not become clients of Jefferies or Akur for the purposes of the rules of the FCA or for the purposes of any statutory or regulatory provision;
- (ii) it accepts that the allocation of Ordinary Shares shall be determined by the Company in its absolute discretion (after consultation with Jefferies and Akur) and that such persons may scale back any Placing commitments for this purpose on such basis as they may determine; and
- (jj) time shall be of the essence as regard its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing.

## **5. SUPPLY AND DISCLOSURE OF INFORMATION**

If Jefferies, the Registrar or the Company or any of their agents request any information about a Placee's agreement to purchase Ordinary Shares under the Placing, such Placee must promptly disclose it to them.

## **6. MISCELLANEOUS**

- 6.1 The rights and remedies of Jefferies, the Registrar and the Company, its Board and affiliates and the Manager under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 6.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally to Jefferies the jurisdiction in which its funds are managed or owned. All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to Jefferies.
- 6.3 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Ordinary Shares that the Placee has agreed to subscribe pursuant to the Placing have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Placing and the appointments and authorities mentioned in the Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Jefferies, Akur, the Registrar, the Company and the Manager, each Placee irrevocably submits to the exclusive jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such courts on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.
- 6.4 In the case of a joint agreement to purchase Ordinary Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 6.5 Jefferies and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.
- 6.6 The Placing is subject to the satisfaction of conditions contained in the Issue Placing Agreement and the Issue Placing Agreement not having been terminated.



## PART 8

### TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

The Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in Ordinary Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme. In the case of a joint application, references to you in these terms and conditions of application are to each of you and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the application form for the Offer for Subscription (the “**Application Form**”).

The Offer for Subscription is only being made in the United Kingdom. If you are outside of the United Kingdom, see paragraph 2.8 of this Part 8.

#### 1. INTRODUCTION

- 1.1 Ordinary Shares are available under the Offer for Subscription at a price of 110 pence per Ordinary Share.
- 1.2 Applications must be made on the Application Form attached at the end of this Securities Note or otherwise published by the Company.

#### 2. EFFECT OF APPLICATION

- 2.1 Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of 10,000 Ordinary Shares and thereafter in multiples of 100 Ordinary Shares. Multiple applications will be accepted.
- 2.2 *Offer to acquire Ordinary Shares*

By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for such number of Ordinary Shares at 110 pence per Ordinary Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of 10,000 Ordinary Shares), or such smaller number for which such application is accepted, on the terms, and subject to the conditions, set out in this Securities Note, including these terms and conditions of application and the articles of association of the Company in force from time to time;
- (b) agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this Securities Note, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Application Form;

- (c) undertake to pay the subscription amount specified in Box 1 (being the Issue Price multiplied by the number of Ordinary Shares applied for) on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your application under the Offer for Subscription and shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and the Joint Financial Advisers against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque in your favour at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
- (d) agree that where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST account (a “**CREST Account**”): (i) the Receiving Agent may in its absolute discretion issue such Ordinary Shares in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds); and (ii) the Receiving Agent, the Company or the Joint Financial Advisers may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST Account in respect of the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- (e) agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1(d) above to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1(d) above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
  - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 2.6(a), (b), (f), (h), (m), (n), (o), (p), (q), (r) or (s) or any other suspected breach of these terms and conditions of application; or
  - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the UK Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;



- (f) agree, on the request of the Receiving Agent, to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- (g) agree that, if satisfactory evidence of identity is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request, the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- (h) agree that you are not applying on behalf of a person engaged in money laundering;
- (i) undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- (j) undertake to pay interest at the rate described in paragraph 2.3 below if the remittance accompanying your Application Form is not honoured on first presentation;
- (k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed Section 2B on your Application Form, but subject to paragraph 2.2(d) above, to deliver the number of Ordinary Shares for which your application is accepted into CREST and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
- (l) confirm that you have read and complied with paragraph 2.8 below;
- (m) agree that all subscription cheques and payments will be processed through a bank account in the name of "Capita Registrars Limited re: TBB REIT OFS a/c" opened by the Receiving Agent;
- (n) agree that your Application Form is addressed to the Company and the Receiving Agent;
- (o) agree that, if a fractional entitlement to an Ordinary Share arises on your application, the number of Ordinary Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit;
- (p) acknowledge that the offer to the public of Ordinary Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Ordinary Shares); and

- (q) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

### 2.3 *Acceptance of your Offer*

The Receiving Agent under instruction of the Company, may accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by the UK Listing Authority being notified through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by the Company in consultation with the Joint Financial Advisers. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these terms and conditions of application.

The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments.

The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest, you will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus four per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual applicant where they have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re: TBB REIT OFS a/c" and crossed "A/C payee only". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.

### 2.4 *Conditions*

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- (a) Admission occurring by 8.00 a.m. (London time) on 23 March 2015 (or such later time or date as the Company and Jefferies may agree); and

- (b) the Issue Placing Agreement becoming otherwise unconditional in all respects (save as to Admission), and not being terminated in accordance with its terms before Admission.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

## 2.5 *Return of application monies*

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

## 2.6 *Warranties*

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- (c) confirm that (save for advice received from your financial adviser (if any)) in making an application, you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the Ordinary Shares contained therein;
- (e) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or

representation must not be relied upon as having been authorised by the Company, the Joint Financial Advisers or the Receiving Agent;

- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first named holder) as set out in your Application Form;
- (h) confirm that you have reviewed the restrictions contained in paragraph 2.7 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- (i) agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- (j) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company and the Joint Financial Advisers or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or the Joint Financial Advisers and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- (l) agree to provide the Company with any information which it, the Joint Financial Advisers or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including, without limitation, satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations;
- (m) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, the Joint Financial Advisers or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- (n) represent and warrant to the Company that: (i) you are not a US Person, are not located within the United States and are not acquiring the Ordinary Shares for the account or benefit of a US Person; (ii) you are acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of

any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons; and (iv) you understand and acknowledge that the Company has not registered and will not register as an investment company under the Investment Company Act;

- (o) represent and warrant to the Company that, if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, you will do so only: (i) in an offshore transaction complying with the provisions of Regulation S under the Securities Act to a person outside the United States and not known by the transferor to be a US Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (p) agree that the Joint Financial Advisers and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- (q) warrant that you are: (i) highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the Ordinary Shares; (ii) fully understand the risks associated with such investment; and (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- (r) warrant that you are not subscribing for the Ordinary Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Ordinary Shares;
- (s) warrant that the information contained in the Application Form is true and accurate;
- (t) agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date; and
- (u) confirm that if you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Issue, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statement therein misleading.



## 2.7 *Money laundering*

You agree that, in order to ensure compliance with the UK Money Laundering Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of you the (the “**holder(s)**”) as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons.

Any delay or failure to provide the necessary evidence of identity may result in your application being rejected or delays in crediting CREST accounts or in the despatch of documents.

Without prejudice to the generality of this paragraph 2.7, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent). If, in such circumstances, you use a building society cheque or banker’s draft, you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp.

If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and the payor an original or a copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of the following no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees’ risk), together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the UK Money Laundering Regulations, a person making an application for Ordinary Shares will not be considered as forming a business relationship with the Company or the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent. Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Registrar from the applicant that the UK Money Laundering Regulations will not be breached by the application of such remittance.

The person(s) submitting an application for Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000 (or the Sterling equivalent) you should endeavour to have the declaration contained in section 5 of the Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (or the Sterling equivalent) then you must provide with the Application Form the identity documentation detailed in Section 6 of the Application Form for each underlying beneficial owner.

If the Application Form is lodged with payment by a regulated financial services firm (being a person or institution) (the “**Firm**”) which is located in Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK and the United States of America, the Firm should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Company (or any of its agents). If the Firm is not such an organisation, it should contact Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. To confirm the acceptability of any written assurance referred to above, or in any other case, the applicant should call Capita Asset Services on 0871 664 0321 (calls to this number are charged at ten pence per minute from a BT landline, other network providers’ costs may vary) or +44 208 639 3399 if calling from outside the United Kingdom. Other network providers’ costs may vary. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Issue nor give any financial, legal or tax advice.

## 2.8 *Non-United Kingdom investors*

If you receive a copy of the Prospectus or an Application Form in any territory other than the United Kingdom, you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

None of the Ordinary Shares have been or will be registered under the laws of Canada, New Zealand, Japan, Australia, the Republic of South Africa or under the Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, New Zealand, Japan, Australia or the Republic of South Africa. If you subscribe for Ordinary Shares pursuant to the Offer for Subscription you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Canada, New Zealand, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States or Canada (or any political subdivision of either) or New Zealand or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of Canada, New Zealand, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, Canada, New Zealand, Japan, Australia or the Republic of South Africa or to any US Person or person resident in Canada, New Zealand, Japan, Australia or the Republic of South Africa. No Application Form will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, New Zealand, Japan, Australia or the Republic of South Africa.



## 2.9 *The Data Protection Act 1998*

Pursuant to the Data Protection Act 1998 (the “**DP Act**”) the Company and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present shareholders. Such personal data held is used by the Registrar to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and other distributions to Shareholders; and (b) filing returns of Shareholders and their respective transactions in Ordinary Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to in the paragraph immediately above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, India, Japan, New Zealand, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

## 2.10 *Miscellaneous*

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.

The rights and remedies of the Company, the Joint Financial Advisers and the Receiving Agent under these terms and conditions of application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. on 18 March 2015. In that event, the new closing time and/or date will be notified to applicants.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.

You agree that the Joint Financial Advisers and the Receiving Agent are acting for the Company in connection with the Issue and for no-one else, and that neither the Joint Financial Advisers nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these terms and conditions of application bear the same meaning as where used in this Securities Note.

## **PART 9**

### **TERMS AND CONDITIONS OF THE SHARE ISSUANCE PROGRAMME**

#### **1. INTRODUCTION**

These terms and conditions apply to persons making an offer to subscribe for Ordinary Shares under the Share Issuance Programme (which may include the Joint Financial Advisers or their nominees).

Each person to whom these conditions apply, as described above, who confirms its agreement to the Company or Jefferies to subscribe for Ordinary Shares under the Share Issuance Programme hereby agrees with the Joint Financial Advisers and the Company to be bound by these terms and conditions as being the terms and conditions upon which Ordinary Shares will be subscribed under the Share Issuance Programme. An investor shall, without limitation, become so bound if the Company or Jefferies confirms to the investor its allocation.

Under the Share Issuance Programme, the Company can issue up to 350 million Ordinary Shares in Tranches. Each Tranche will comprise a placing on similar terms to the Placing and may, at the discretion of the Company in consultation with Jefferies comprise an open offer component and/or an offer for subscription component on similar terms to the Offer for Subscription.

104,761,904 Ordinary Shares were issued as a Tranche under the Share Issuance Programme on 2 December 2014. The New Ordinary Shares are also being issued as a Tranche under the Share Issuance Programme. Following the Issue, this will leave a total of 108,874,460 Ordinary Shares available under the Share Issuance Programme (assuming the Issue achieves its target size).

The Share Issuance Programme has been implemented in order to provide funding to enable the Company to make investments in accordance with, and/or to fulfil the investment objectives contained in, its Investment Policy.

The total net proceeds of the Share Issuance Programme will depend on the number of Ordinary Shares issued throughout the Share Issuance Programme, the issue price of such Ordinary Shares, and the aggregate costs and commissions for each Tranche. The total net proceeds of the Share Issuance Programme to date are £107.8 million, which will increase to £254.8 million if the Issue meets its target size of £150 million.

Assuming that the maximum number of Ordinary Shares available under the Share Issuance Programme is issued at an issue price of 103 pence per Ordinary Share with aggregate costs and commissions of £7.2 million (being two per cent. of the gross issue proceeds), the total net proceeds of the Share Issuance Programme would be £353.3 million.

The size, pricing and frequency of any further Tranche, and of any further placing or open offer, offer for subscription component of such Tranche, will be determined in the sole discretion of the Company in consultation with the Joint Financial Advisers.

## 2. TERMS OF THE SHARE ISSUANCE PROGRAMME

The Share Issuance Programme opened on 8 July 2014 and it is anticipated that there will be a separate closing for each Tranche such that Ordinary Shares will be allotted on such dates as are determined by the Directors until the earliest to occur of: (a) the first anniversary of the date of the Registration Document; (b) the date on which an aggregate of 350 million Ordinary Shares have been admitted to trading on the premium segment of the Official List; and (c) such other date as may be agreed between the Joint Financial Advisers and the Company. Issuances may take place at any time prior to the final closing date as set out above. In relation to a Tranche, a new securities note and new summary will, to the extent necessary, be published and an announcement will be released through a Regulatory Information Service, including details of the number of Ordinary Shares allotted and the applicable issuance price.

The issue of Ordinary Shares under Share Issuance Programme is not being underwritten and, as at the date of this Securities Note, the actual number of Ordinary Shares to be issued under the Share Issuance Programme is not known (other than the 104,761,904 Ordinary Shares issued on 28 November 2014). The number of Ordinary Shares available under the Share Issuance Programme should not be taken as an indication of the number of Ordinary Shares finally to be issued.

Ordinary Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with the existing Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

The issuance of each Tranche of Ordinary Shares pursuant to the Share Issuance Programme is conditional upon, *inter alia*:

- (a) admission of the Ordinary Shares issued pursuant to such Tranche;
- (b) the Placing Agreement having become unconditional in respect of the relevant Tranche and not having been terminated in accordance with its terms before the relevant admission; and
- (c) in relation to non-pre-emptive offerings, the issue price being not less than the then current Net Asset Value per Ordinary Share.

In circumstances in which these conditions are not fully met, the relevant issue of Ordinary Shares pursuant to the Share Issuance Programme will not take place.

The Share Issuance Programme will be suspended at any time when the Company is unable to issue Ordinary Shares pursuant to the Share Issuance Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

The total number of Ordinary Shares issued in any Tranche will be determined at the discretion of the Directors in consultation with the Joint Financial Advisers and the Manager after taking into account demand for the Ordinary Shares and prevailing economic and market conditions.

Ordinary Shares issued in any Tranche may be held in certificated form or in uncertificated form. Assuming the conditions of a Tranche are met and admission occurs, all Ordinary Shares will be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities regardless of whether they are held in certificated form or in uncertificated form.

### **3. THE SHARE ISSUANCE PROGRAMME TIMETABLE**

The Share Issuance Programme opened on 8 July 2014 and will close on the earliest to occur of: (a) the first anniversary of the date of the Registration Document; (b) the date on which an aggregate of 350 million Ordinary Shares have been admitted to trading; and (c) such other date as may be agreed between Jefferies and the Company. No Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share. Notification of any extension will be via a Regulatory Information Service announcement.

Allotment and issuances may take place at any time prior to the final closing date of the first anniversary of the date of the Registration Document. An announcement of each allotment and issue will be released through a Regulatory Information Service, including details of the number of Ordinary Shares allotted and issued and the applicable issue price for the allotment and issue.

### **4. THE ISSUE PRICE AND ISSUE COSTS**

It is intended that the price at which Ordinary Shares are issued on a non-pre-emptive basis under the Share Issuance Programme will always represent a premium to the prevailing Net Asset Value per Ordinary Share. The commissions and costs for each Tranche will be capped at two per cent. of the gross proceeds of such Tranche.

### **5. GENERAL INFORMATION RELATING TO THE SHARE ISSUANCE PROGRAMME**

The Company, the Manager and the Joint Financial Advisers have entered into the Placing Agreement, pursuant to which Jefferies has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Ordinary Shares made available under the Share Issuance Programme.

Applications under each Tranche will, depending upon whether the application is in respect of a placing or offer for subscription component of a Tranche, be on the terms and conditions set out in the Parts 6 to 7 of this Securities Note as applicable, as modified by any relevant supplementary prospectus or securities note applicable to the relevant Tranche.

The basis of allocation under each Tranche shall be determined by the Directors in consultation with the Joint Financial Advisers. The Directors in consultation with the Joint Financial Advisers may scale back subscriptions at their discretion and, in any event, will scale back subscriptions at their discretion if subscriptions under the Share Issuance Programme exceed the maximum number of Ordinary Shares available under the Share Issuance Programme.

To the extent that any application for subscription is rejected in whole or in part, or the Directors determine in their absolute discretion that any Placing should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

Subject to those matters on which each tranche is conditional, the Directors, in consultation with the Joint Financial Advisers may postpone the closing date for such Tranche.

### **6. OVERSEAS INVESTORS**

The attention of persons resident outside the UK is drawn to the notices to investors set out on pages 14 to 16 of this Securities Note which set out restrictions on the holding of Ordinary Shares by such persons in certain jurisdictions.

In particular investors should note that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does

not intend to register, as an investment company under the Investment Company Act. Accordingly, the Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons.

## PART 10

### DEFINED TERMS

<b>"2014 Admission"</b>	the admission of the share capital of the Company to the Official List and to trading on the London Stock Exchange's main market on 30 July 2014;
<b>"Administrator"</b>	Capita Sinclair Henderson Limited;
<b>"Admission"</b>	the admission of the New Ordinary Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities becoming effective;
<b>"AIFMD"</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers;
<b>"Akur"</b>	Akur Limited (company number 07366922);
<b>"Annual Report"</b>	the Company's annual report and accounts for the financial period ended 31 December 2014, as incorporated in full in the Supplementary Prospectus;
<b>"Application Form"</b>	the application form attached to this Securities Note for use in connection with the Offer for Subscription;
<b>"Articles"</b>	the articles of association of the Company adopted by special resolution dated 18 November 2013 (and as amended, conditional upon Admission, by a special resolution of the Company on 25 July 2014);
<b>"Auditor"</b>	BDO LLP (registered number OC305127);
<b>"Baljean"</b>	Baljean Properties Limited (Isle of Man registered number 005393V);
<b>"Big Box"</b>	a "Big Box" property or asset refers to a specific sub-segment of the logistics sector of the real-estate market, relating to very large logistics warehouses (each with typically over 500,000 sq. ft. of floor area) with the primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers, and typically having the following characteristics: generally a modern constructed building with eaves height exceeding 12 metres; let on long leases with institutional-grade tenants; with regular, upward only rental reviews; having a prime geographical position to allow both efficient stocking (generally with close links to sea ports or rail freight hubs) and efficient downstream distribution; and typically with sophisticated automation systems or a highly bespoke fit out;
<b>"Board"</b>	the directors of the Company from time to time;

<b>“Business Day”</b>	a day other than Saturday, Sunday or other day when banks in the City of London, England are not generally open for business;
<b>“Capita” or “Capita Asset Services”</b>	a trading name of Capita Registrars Limited (company number 2605568);
<b>“City Code”</b>	the City Code on Takeovers and Mergers;
<b>“Companies Act”</b>	the Companies Act 2006, as amended from time to time;
<b>“Company”</b>	Tritax Big Box REIT plc (company number 8215888);
<b>“Company Secretary”</b>	Taylor Wessing Secretaries Limited (company number 04328885);
<b>“CREST”</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
<b>“CREST Manual”</b>	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms;
<b>“CREST Regulations”</b>	Uncertificated Securities Regulations 2001 (SI No. 2001/3755);
<b>“CTA 2010”</b>	Corporation Tax Act 2010 and any statutory modification or re enactment thereof for the time being in force;
<b>“Directors”</b>	the directors of the Company as of the date of this Securities Note, being Richard Jewson, Jim Prower, Mark Shaw and Stephen Smith;
<b>“Disclosure and Transparency Rules”</b>	the disclosure and transparency rules made by the FCA under Section 73A of FSMA;
<b>“EPRA”</b>	European Public Real Estate Association;
<b>“ERISA”</b>	the US Employee Retirement Income Security Act of 1974, as amended from time to time;
<b>“EU”</b>	the European Union;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, being the operator of CREST;
<b>“FATCA”</b>	the US Foreign Account Tax Compliance Act;
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority (or any successor entity or entities) and, where applicable, the entity acting as the competent authority for the purposes of Admission;



<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended from time to time;
<b>“Gross Proceeds”</b>	the gross proceeds of the Issue;
<b>“HMRC”</b>	HM Revenue and Customs;
<b>“IFRS”</b>	International Financial Reporting Standards as adopted by the European Union;
<b>“Intermediaries”</b>	the entities listed in paragraph 9 of Part 5 of this document together with any other intermediary (if any) that is appointed by Jefferies after the date of this Securities Note;
<b>“Intermediaries Booklet”</b>	the booklet entitled “Tritax Big Box REIT plc Share Offer: Information for Intermediaries” and containing, among other things, the Intermediaries Terms and Conditions;
<b>“Intermediaries Terms and Conditions”</b>	the terms and conditions agreed between Jefferies and the Intermediaries in relation to the Offer for Subscription and contained in the Intermediaries Booklet;
<b>“Investment Company Act”</b>	the US Investment Company Act of 1940, as amended from time to time;
<b>“Investment Management Agreement”</b>	the investment management agreement dated 2 July 2014 between the Company and the Manager as amended or supplemented from time to time;
<b>“Investment Objective”</b>	the investment objective of the Company as detailed in the Registration Document;
<b>“Investment Policy”</b>	the investment policy of the Company as detailed in the Registration Document;
<b>“Investment Team”</b>	the investment team for the REIT Group as at the date of this Securities Note, comprising Mark Shaw, Colin Godfrey, James Dunlop, Henry Franklin and Petrina Austin, who manage the Company through the Manager;
<b>“IPO”</b>	the admission of the share capital of the Company to trading on the Specialist Fund Market and on the CISEA and to listing on the CISEA on 9 December 2013;
<b>“ISA”</b>	individual savings account;
<b>“Issue”</b>	the Placing and Offer for Subscription;
<b>“Issue Placing Agreement”</b>	the placing agreement between the Company, the Manager, Jefferies and Akur dated 6 March 2015 in respect of the Issue;
<b>“Issue Price”</b>	110 pence per Ordinary Share;
<b>“Jefferies”</b>	Jefferies International Limited (company number 01978621);

<b>“Joint Financial Advisers”</b>	Akur and Jefferies (acting in their capacity as joint financial advisers to the Company);
<b>“Listing Rules”</b>	the listing rules made by the UK Listing Authority under section 73A of the FSMA;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Manager”</b>	Tritax Management LLP (partnership number OC326500);
<b>“Manager’s Statements”</b>	the statements contained in this Securities Note which begin with or contain the words “the Manager believes”, “the Manager anticipates”, “the Manager expects”, “the Manager’s belief”, “the Manager’s view”, “the Manager intends”, “the belief of the Manager”, “the opinion of the Manager”, the Manager’s opinion” or “the intention of the Manager” or other variations or comparable terminology;
<b>“Member States”</b>	those states which are members of the EU from time to time;
<b>“Money Laundering Regulations”</b>	the UK Money Laundering Regulations 2007 (SI 2007/2157) and any other applicable anti-money laundering guidance, regulations or legislation;
<b>“NAV” or “Net Asset Value”</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time;
<b>“Net Proceeds”</b>	the aggregate value of all of the Ordinary Shares issued pursuant to the Issue less expenses relating to the Issue;
<b>“New Ordinary Shares”</b>	the New Ordinary Shares to be issued under the Issue;
<b>“Non-PID Dividend”</b>	a dividend received by a shareholder of the principal company that is not a PID;
<b>“Ocado”</b>	Ocado Group plc
<b>“Offer for Subscription”</b>	the offer for subscription of Ordinary Shares at the Issue Price on the terms set out in this Securities Note;
<b>“Official List”</b>	the official list maintained by the FCA;
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company;
<b>“Overseas Shareholders”</b>	save as otherwise determined by the Directors, Qualifying Shareholders who are resident in, or citizens, residents or nationals of, jurisdictions other than the United Kingdom;
<b>“PID” or “Property Income Distribution”</b>	a dividend received by a shareholder of the principal company in respect of profits and gains of the Property Rental Business of the UK resident members of the REIT Group or in respect of the profits or gains of a non-UK resident member of the REIT Group insofar as they derive from their UK Property Rental Business;

<b>“Placee”</b>	a placee under the Placing;
<b>“Placing”</b>	the conditional placing of Ordinary Shares by Jefferies at the Issue Price as described in this Securities Note;
<b>“Placing Agreement”</b>	the placing agreement between the Company, the Manager, Jefferies and Akur dated 8 July 2014, in respect of, among other things, the Share Issuance Programme;
<b>“Portfolio”</b>	the investment portfolio of the Company;
<b>“Property Rental Business”</b>	the qualifying property rental business in the UK and elsewhere of UK resident companies within a REIT and non-UK resident companies within a REIT with a UK qualifying property rental business;
<b>“Prospectus Directive”</b>	the EU Prospectus Directive 2003/71/EC;
<b>“Prospectus Rules”</b>	the prospectus rules made by the FCA under Section 73A of FSMA;
<b>“Receiving Agent”</b>	Capita Asset Services, in its capacity as the Company’s receiving agent, pursuant to the Receiving Agent Agreement;
<b>“Receiving Agent Agreement”</b>	the receiving agent agreement between the Company and the Receiving Agent dated 7 July 2014;
<b>“Register”</b>	the register of members of the Company;
<b>“Registrar”</b>	Capita Asset Services, in its capacity as the Company’s registrar, pursuant to the Registrar Agreement;
<b>“Registrar Agreement”</b>	the registrar agreement dated 18 November 2013 between the Company and the Registrar;
<b>“Registration Document”</b>	the registration document dated 8 July 2014 approved by the FCA and issued by the Company in respect of the issue of the Ordinary Shares to which this Securities Note and any future summary and future securities note relate (as supplemented by the Supplementary Prospectus);
<b>“Regulation S”</b>	Regulation S promulgated under the Securities Act;
<b>“REIT”</b>	a real estate investment trust to which Part 12 of the Corporation Tax Act 2010 applies;
<b>“REIT Group”</b>	the Company and all of its subsidiary undertakings;
<b>“Relevant Member State”</b>	a member state of the European Economic Area which has implemented the Prospectus Directive;
<b>“Ripon”</b>	Tritax Ripon Limited (Guernsey registered number 36449);
<b>“RIS” or “Regulatory Information Service”</b>	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange;

<b>“Securities Act”</b>	the US Securities Act of 1933, as amended from time to time;
<b>“Securities Note”</b>	this securities note;
<b>“Share Issuance Programme”</b>	the programme under which the Company can issue Ordinary Shares in Tranches;
<b>“Shareholders”</b>	the holders of Ordinary Shares;
<b>“SIPP”</b>	a self-invested personal pension as defined in Regulation 3 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001;
<b>“Sonoma”</b>	Sonoma Ventures Limited (British Virgin Islands registered number 1637663);
<b>“Specialist Fund Market”</b>	the Specialist Fund Market of the London Stock Exchange;
<b>“SPV 7”</b>	Tritax Acquisition 7 Limited (Jersey registered number 116284), a wholly owned subsidiary of the Company;
<b>“SPV 8”</b>	Tritax REIT Acquisition 8 Limited (company number 9155993), a wholly owned subsidiary of the Company;
<b>“SPV 9”</b>	Tritax REIT Acquisition 9 Limited (company number 9155999), a wholly owned subsidiary of the Company;
<b>“SPV 10”</b>	Tritax REIT Acquisition 10 Limited (company number 9226417), a wholly owned subsidiary of the Company;
<b>“SPV 11”</b>	Tritax REIT Acquisition 11 Limited (company number 9274824), a wholly owned subsidiary of the Company;
<b>“SPV 12”</b>	Tritax REIT Acquisition 12 Limited (company number 9290618), a wholly owned subsidiary of the Company;
<b>“SPV 13”</b>	Tritax REIT Acquisition 13 Limited (company number 9290620), a wholly owned subsidiary of the Company;
<b>“SPV 14”</b>	Tritax REIT Acquisition 14 Limited (company number 9290623), a wholly owned subsidiary of the Company;
<b>“SPV 16”</b>	Tritax REIT Acquisition 16 Limited (company number 9338152), a wholly owned subsidiary of the Company;
<b>“SPV 17”</b>	Tritax REIT Acquisition 17 Limited (company number 9420104), a wholly owned subsidiary of the Company;
<b>“sq. ft.”</b>	square foot;
<b>“SSAS”</b>	a small self-administered scheme as defined in Regulation 2 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991;

<b>“Summary”</b>	the summary dated the same date as this Securities Note issued by the Company pursuant to the Registration Document and this Securities Note and approved by the FCA;
<b>“Supplementary Prospectus”</b>	the supplementary registration document dated 23 February 2015 which is supplementary to the Registration Document;
<b>“Tax-Exempt Business”</b>	the Qualifying Property Rental Business of the REIT Group;
<b>“Tranches”</b> each a <b>“Tranche”</b>	a tranche of Ordinary Shares issued under the Share Issuance Programme;
<b>“Tritax Assets”</b>	Tritax Assets LLP (partnership number OC326499);
<b>“Tritax Group”</b>	the existing Tritax corporate entities, including Tritax Assets and the Manager and the associated companies and joint venture vehicles they have acquired (but excluding the REIT Group);
<b>“UK AIFMD Rules”</b>	the laws, rules and regulations implementing AIFMD in the UK, including without limitation the Alternative Investment Fund Managers Regulations 2013 and the Investment Funds sourcebook of the FCA;
<b>“UKLA”</b> or <b>“UK Listing Authority”</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“UK Money Laundering Regulations”</b>	the UK Money Laundering Regulations 2007, as amended;
<b>“United Kingdom”</b> or <b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States”</b> or <b>“US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction;
<b>“USE”</b>	an Unmatched Stock Event; and
<b>“US Person”</b>	a “US Person” as defined in Regulation S of the Securities Act.

## **NOTES ON HOW TO COMPLETE THE APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION**

**Applications should be returned to the Receiving Agent, Capita Asset Services Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 11.00 a.m. (London time) on 18 March 2015.**

**HELP DESK:** If you have a query concerning completion of this Offer for Subscription Application Form, please call Capita Asset Services on 0871 664 0321 from within the UK or on + 44 208 639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Issue nor give any financial, legal or tax advice.

### **1. Application**

Fill in (in figures) in Box 1 the amount of money being subscribed for Ordinary Shares (being the Issue Price of 110 pence multiplied by the number of Ordinary Shares applied for). The amount being subscribed must be a minimum of 10,000 Ordinary Shares and thereafter in multiples of 100 Ordinary Shares.

### **2A. Holder details**

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders, only the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Offer for Subscription Application Form at Section 3.

### **2B. CREST**

If you wish your Ordinary Shares to be deposited in a CREST Account in the name of the holders given in Section 2A, enter in Section 2B the details of that CREST Account. The CREST Account must be in the same name(s) as the details of the Holder(s) of Shares provided in Box(es) 1, 2 or 3. If you are not a CREST Participant or CREST Sponsored Member, you should leave Section 2B blank and you will automatically receive a share certificate for your Ordinary Shares.

### **3. Signature**

All holders named in Section 2A must sign Section 3 and insert the date. The Offer for Subscription Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Offer for Subscription Application Form.

### **4. Cheque/banker's draft, payment**

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "Capita Registrars Limited re: TBB REIT

OFS a/c". Third party cheques may not be accepted, with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the application.

## **5. Reliable introducer declaration**

Applications will be subject to the UK's verification of identity requirements. This will involve you providing the verification of identity documents listed in Section 6 of the Offer for Subscription Application Form UNLESS you can have the declaration provided at Section 5 of the Offer for Subscription Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in Section 5 of the Offer for Subscription Application Form completed and signed by a suitable firm.

## **6. Identity information**

Applicants need only consider Section 6 of the Offer for Subscription Application Form if the declaration in Section 5 cannot be completed. Notwithstanding that the declaration in Section 5 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in Section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked. Where certified copies of documents are provided, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

## **7. Contact details**

To ensure the efficient and timely processing of your Offer for Subscription Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in Section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in Section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

**INSTRUCTIONS FOR DELIVERY OF COMPLETED OFFER FOR SUBSCRIPTION APPLICATION FORMS** – Completed Offer for Subscription Application Forms should be returned, by post or by hand (during normal business hours only), to the Receiving Agent, Capita Asset Services, Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 11.00 a.m. (London time) on 18 March 2015, together in each case with payment in full in respect of the application. If you post your Offer for Subscription Application Form, you are recommended to use first class post and to allow at least two days for delivery. Offer for Subscription Application Forms received after this date may be returned.



## APPLICATION FORM FOR OFFER FOR SUBSCRIPTION

Please send this completed form by post or by hand (during normal business hours only) to the Receiving Agent, Capita Asset Services, Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received no later than 11.00 a.m. (London time) on 18 March 2015.

The Directors may, with the prior approval of the Joint Financial Advisers, alter such date and thereby shorten or lengthen the offer period. In the event that the offer period is altered, the Company will notify investors of such change.

Important: Before completing this form, you should read the Registration Document dated 8 July 2014 and the Summary and the Securities Note dated 6 March 2015 (together, the "**Prospectus**") and the terms and conditions of the Offer for Subscription set out in Part 8 of the Securities Note and accompanying notes to this form.

To: Tritax Big Box REIT plc and the Receiving Agent

Box 1 (minimum of 10,000 Ordinary Shares multiplied by 110 pence and thereafter in multiples of 100 Ordinary Shares multiplied by 110 pence)

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### 1. Application

I/We the person(s) detailed in Section 2A below offer to subscribe the amount shown in Box 1 for Ordinary Shares subject to the terms and conditions of the Offer for Subscription set out in the Securities Note and subject to the articles of association of the Company in force from time-to-time.

### 2A. Details of holder(s) in whose name(s) Shares will be issued

(BLOCK CAPITALS)

1:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
Postcode:		
Designation (if any):		
2:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
Postcode:		
Designation (if any):		



3:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
Postcode:		
Designation (if any):		

**2B. CREST Account details into which Ordinary Shares are to be deposited (if applicable)**

Only complete this Section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 2A.

(BLOCK CAPITALS)

CREST Participant ID:

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CREST Member Account ID:

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**3. Signature(s): all holders must sign**

By completing box 3 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 8 of the Securities Note (terms and conditions of application under the Offer for Subscription) and to have given the warranties, representations and undertakings set out therein.

First Applicant Signature:		Date	
Second Applicant Signature:		Date	
Third Applicant Signature:		Date	
Fourth Applicant Signature:		Date	

**Execution by a Company**

Executed by (Name of Company)		Date	
Name of Director:	Signature:	Date	
Name of Director/Secretary:	Signature:	Date	
If you are affixing a company seal, please mark a cross	<input style="width: 20px; height: 20px;" type="checkbox"/>	Affix Company Seal here:	

#### 4. Cheques/banker's draft details

Pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Capita Registrars Limited re: TBB REIT OFS a/c" and crossed "A/C Payee only". Cheques and banker's payments must be drawn in Sterling on an account at a bank branch in the United Kingdom and must bear a United Kingdom bank sort code number in the top right hand corner. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp.

#### 5. Settlement by delivery versus payment (DVP)

If you so choose to settle your commitment within CREST, that is delivery versus payment (DVP), you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out below:

Trade Date:	19 March 2015
Settlement Date:	23 March 2015
Company:	Tritax Big Box REIT plc
Security Description:	Ordinary Shares of £0.01 each
SEDOL:	BG49KP9
ISIN:	GB00BG49KP99

Should you wish to settle delivery versus payment (DVP), you will need to match your instructions to Capita Asset Services' Participant account RA06 by no later than 1.00 p.m. on 19 March 2015. You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

#### 6. Reliable introducer declaration

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in Section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.

##### Declaration:

##### To the Company and the Receiving Agent

With reference to the holder(s) detailed in Section 2A, all persons signing at Section 3 and the payor identified in Section 6 if not also a holder (collectively the "**subjects**") **WE HEREBY DECLARE:**

1. we operate in the United Kingdom, or in a country where money laundering regulations under the laws of that country are, to the best of our knowledge, no less stringent than those which prevail in the United Kingdom and our firm is subject to such regulations;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;



4. we confirm the accuracy of the names and residential business address(es) of the holder(s) given at Section 2A and if a CREST Account is cited at Section 2B that the owner thereof is named in Section 2A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Shares mentioned; and
6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

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

Signed:	Name:	Position:
Name of regulatory authority:		Firm's licence number:
Website address of telephone number of regulatory authority:		
STAMP of firm giving full name and business address:		

## 7. Identity information

If the declaration in Section 6 cannot be signed and the value of your application is greater than €15,000 (or the Sterling equivalent), please enclose with that Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named Applicant.

Holders				Payor
Tick here for documents provided				

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

### A. For each holder being an individual enclose:

- (1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport — Government or Armed Forces identity card — driving licence; and

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- (2) an original or certified copies of at least two of the following documents no more than three months old which purport to confirm that the address given in Section 2A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill — a recent bank statement — a council rates bill or similar document issued by a recognised authority; and

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- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and

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- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

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**B. For each holder being a company (a “holder company”) enclose:**

(1) a certified copy of the certificate of incorporation of the holder company; and

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(2) the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and

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(3) a statement as to the nature of the holder company's business, signed by a director; and

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(4) a list of the names and residential addresses of each director of the holder company; and

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(5) for each director provide documents and information similar to that mentioned in A above; and

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(6) a copy of the authorised signatory list for the holder company; and

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(7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than five per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a “beneficiary company”), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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**C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4).**

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**D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:**

(1) a certified copy of the certificate of incorporation of that beneficiary company; and

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(2) a statement as to the nature of that beneficiary company's business signed by a director; and

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(3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and

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(4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

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**E. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:**

(1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or

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(2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and

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(3) an explanation of the relationship between the payor and the holder(s).

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The Receiving Agent reserves the right to ask for additional documents and information.

## **8. Contact details**

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 6, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in Section 6 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:

E-mail address:

Contact address:

Postcode:

Telephone No:

Fax No:





