

Share Issuance Programme

SUMMARY • REGISTRATION DOCUMENT • SECURITIES NOTE



Empiric
Student
Property

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A–E (A.1–E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of 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		
Element	Disclosure Requirement	Disclosure
A.1.	Warning	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in Shares should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. 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 the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2.	Subsequent resale or final placement of securities through financial intermediaries	Not applicable, the Company is not engaging any financial intermediaries for any resale or final placement of securities after publication of the Prospectus.

Section B – Issuer		
Element	Disclosure Requirement	Disclosure
B.1.	Legal and commercial name	Empiric Student Property Plc.
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 11 February 2014 with registered number 08886906 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.

B.5.	Group description	<p>The Company is the holding company of the Group and has the following subsidiaries (all of which are incorporated in England and Wales):</p> <table> <tr> <th><i>Name</i></th><th><i>Principal activity</i></th><th><i>Proportion of ownership interest %</i></th></tr> <tr> <td>Empiric Investments (One) Limited</td><td>Intermediate holding company</td><td>100</td></tr> <tr> <td>Empiric Investments (Two) Limited</td><td>Intermediate holding company</td><td>100</td></tr> <tr> <td>Empiric (Edge Apartments) Limited</td><td>Property holding company</td><td>100*</td></tr> <tr> <td>Empiric (College Green) Limited</td><td>Property holding company</td><td>100*</td></tr> <tr> <td>Empiric (Picturehouse Apartments) Limited</td><td>Property holding company</td><td>100*</td></tr> <tr> <td>Empiric (Summit House) Limited</td><td>Property holding company</td><td>100*</td></tr> <tr> <td>Empiric (Buccleuch Street) Limited</td><td>Property holding company</td><td>100</td></tr> <tr> <td>Empiric (St Peter Street) Limited</td><td>Property holding company</td><td>100</td></tr> <tr> <td>Empiric (Birmingham) Limited</td><td>Property holding company</td><td>100*</td></tr> <tr> <td>Empiric (London Road) Limited</td><td>Property holding company</td><td>100*</td></tr> <tr> <td>Empiric (Talbot Studios) Limited</td><td>Property holding company</td><td>100*</td></tr> <tr> <td>Empiric (Centro Court) Limited</td><td>Property holding company</td><td>100*</td></tr> <tr> <td>Empiric (Alwyn Court) Limited</td><td>Property holding company</td><td>100**</td></tr> <tr> <td>Empiric (Northgate House) Limited</td><td>Property holding company</td><td>100**</td></tr> <tr> <td>Empiric (Snow Island) Limited</td><td>Property holding company</td><td>100</td></tr> <tr> <td>Empiric Student Property Trustees Limited</td><td>Trustee of the EBT</td><td>100</td></tr> <tr> <td>Empiric (Developments) Limited</td><td>Development management company</td><td>100</td></tr> </table> <p>*held by Empiric Investments (One) Limited **held by Empiric Investments (Two) Limited</p> <p>In addition, the Company has the following interests in two joint venture development companies. The remaining 50 per cent. of the shares in each company are held by KH II Estates 117 Limited, a company advised by Revcap.</p> <table> <tr> <th><i>Name</i></th><th><i>Principal activity</i></th><th><i>Proportion of ownership interest %</i></th></tr> <tr> <td>Empiric (Southampton) Limited</td><td>Joint venture development company</td><td>50</td></tr> <tr> <td>Empiric (Glasgow) Limited</td><td>Joint venture development company</td><td>50</td></tr> </table> <p>The Directors intend that further Group companies will be set up for any additional properties which will be acquired by the Group.</p>	<i>Name</i>	<i>Principal activity</i>	<i>Proportion of ownership interest %</i>	Empiric Investments (One) Limited	Intermediate holding company	100	Empiric Investments (Two) Limited	Intermediate holding company	100	Empiric (Edge Apartments) Limited	Property holding company	100*	Empiric (College Green) Limited	Property holding company	100*	Empiric (Picturehouse Apartments) Limited	Property holding company	100*	Empiric (Summit House) Limited	Property holding company	100*	Empiric (Buccleuch Street) Limited	Property holding company	100	Empiric (St Peter Street) Limited	Property holding company	100	Empiric (Birmingham) Limited	Property holding company	100*	Empiric (London Road) Limited	Property holding company	100*	Empiric (Talbot Studios) Limited	Property holding company	100*	Empiric (Centro Court) Limited	Property holding company	100*	Empiric (Alwyn Court) Limited	Property holding company	100**	Empiric (Northgate House) Limited	Property holding company	100**	Empiric (Snow Island) Limited	Property holding company	100	Empiric Student Property Trustees Limited	Trustee of the EBT	100	Empiric (Developments) Limited	Development management company	100	<i>Name</i>	<i>Principal activity</i>	<i>Proportion of ownership interest %</i>	Empiric (Southampton) Limited	Joint venture development company	50	Empiric (Glasgow) Limited	Joint venture development company	50
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B.6.	Major shareholders	<p>Other than as set out in the table below, as at 29 October 2014 (being the latest practicable date prior to the publication of the Prospectus) 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:</p> <table><thead><tr><th>Name</th><th>Number of Shares</th><th>Percentage of issued share capital (%)</th></tr></thead><tbody><tr><td>East Riding of Yorkshire Council Pension Fund</td><td>15,000,000</td><td>17.65</td></tr><tr><td>SG Hambros Bank Limited</td><td>9,844,353</td><td>11.58</td></tr><tr><td>CCLA Investment Management Limited</td><td>8,500,000</td><td>10.00</td></tr><tr><td>Rathbones Brothers plc</td><td>7,513,530</td><td>8.84</td></tr><tr><td>Charles Stanley & Co. Limited</td><td>4,503,764</td><td>5.30</td></tr><tr><td>Smith & Williamson Holdings Limited</td><td>3,207,866</td><td>3.77</td></tr><tr><td>BNP Paribas Arbitrage SNC</td><td>3,000,000</td><td>3.53</td></tr><tr><td>Bank Morgan Stanley Zurich,</td><td>2,600,000</td><td>3.06</td></tr></tbody></table> <p>As at 29 October 2014 (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> <table><thead><tr><th>Name</th><th>Number of Shares</th><th>Percentage of issued share capital (%)</th></tr></thead><tbody><tr><td>Baroness Dean</td><td>33,500</td><td>0.04</td></tr><tr><td>Timothy Attlee</td><td>875,000</td><td>1.03</td></tr><tr><td>Paul Hadaway</td><td>875,001</td><td>1.03</td></tr><tr><td>Michael Enright(*)</td><td>520,000</td><td>0.61</td></tr><tr><td>Jim Prower(**)</td><td>23,760</td><td>0.03</td></tr></tbody></table> <p>(*) 20,000 of these Shares are held on behalf of Mr. Enright's children. (**) 11,880 of these Shares are held by Mr. Prower's wife.</p>	Name	Number of Shares	Percentage of issued share capital (%)	East Riding of Yorkshire Council Pension Fund	15,000,000	17.65	SG Hambros Bank Limited	9,844,353	11.58	CCLA Investment Management Limited	8,500,000	10.00	Rathbones Brothers plc	7,513,530	8.84	Charles Stanley & Co. Limited	4,503,764	5.30	Smith & Williamson Holdings Limited	3,207,866	3.77	BNP Paribas Arbitrage SNC	3,000,000	3.53	Bank Morgan Stanley Zurich,	2,600,000	3.06	Name	Number of Shares	Percentage of issued share capital (%)	Baroness Dean	33,500	0.04	Timothy Attlee	875,000	1.03	Paul Hadaway	875,001	1.03	Michael Enright(*)	520,000	0.61	Jim Prower(**)	23,760	0.03
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B.7.	Key financial information	<p>Selected historical key financial information of the Group as at 31 July 2014 is set out below. The information has been extracted without material adjustment from the audited consolidated financial information of the Group for the period ended 31 July 2014.</p> <table><thead><tr><th>Assets</th><th>£</th></tr></thead><tbody><tr><td>Non-current assets</td><td></td></tr><tr><td>Property, plant and equipment</td><td>43,007</td></tr><tr><td>Investment property</td><td>46,454,000</td></tr><tr><td>Joint venture</td><td>1,754,544</td></tr><tr><td></td><td>48,251,551</td></tr><tr><td>Current assets</td><td></td></tr><tr><td>Trade and other receivables</td><td>1,554,999</td></tr><tr><td>Cash and cash equivalents</td><td>34,949,471</td></tr><tr><td></td><td>36,504,470</td></tr><tr><td>Total assets</td><td>84,756,021</td></tr><tr><td>Liabilities</td><td></td></tr><tr><td>Current liabilities</td><td></td></tr><tr><td>Trade and other payables</td><td>1,196,232</td></tr><tr><td>Total liabilities</td><td>1,196,232</td></tr></tbody></table>	Assets	£	Non-current assets		Property, plant and equipment	43,007	Investment property	46,454,000	Joint venture	1,754,544		48,251,551	Current assets		Trade and other receivables	1,554,999	Cash and cash equivalents	34,949,471		36,504,470	Total assets	84,756,021	Liabilities		Current liabilities		Trade and other payables	1,196,232	Total liabilities	1,196,232															
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		<p>Equity £</p> <p>Shareholders' equity</p> <p>Called up share capital 850,000</p> <p>Capital reduction reserve 82,281,424</p> <p>Retained earnings 428,365</p> <hr/> <p>Total equity 83,559,789</p> <hr/> <p>Total equity and liabilities 84,756,021</p> <hr/> <p>Save to the extent disclosed below, there has been no significant change in the financial or trading position of the Group since 31 July 2014, being the date to which the Group's audited financial information has been prepared:</p> <ul style="list-style-type: none"> • on 22 August 2014, Empiric (Edge Apartments) Limited completed the acquisition of Edge Apartments (Birmingham) for a purchase price of £8,940,000; • on 2 September 2014, Empiric (Centro Court) Limited completed the acquisition of Centro Court (Aberdeen) for a purchase price of £6,500,000; • on 30 September 2014, Empiric (Talbot Studios) Limited completed the acquisition of Talbot Studios (Nottingham) for a purchase price of £8,200,000; • on 24 October 2014, RBS made available to the Group an investment term loan of up to £35.5 million, secured on a number of the Group's operating property assets; • on 29 October 2014, Empiric (Alwyn Court) Limited exchanged contracts to acquire Alwyn Court (Cardiff) for a purchase price of £3,500,000; • on 29 October 2014, Empiric (Northgate House) Limited exchanged contracts to acquire Northgate House (Cardiff) for a purchase price of £5,200,000. Completion of the acquisition is conditional on practical completion of the property; and • the first interim dividend of 1.5 pence per Share was today declared in relation to the period from the IPO to 30 September 2014.
B.8.	Key pro forma financial information	Not applicable. No pro forma financial information is contained in the Prospectus.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate made.
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audit report on the historical financial information contained in the Prospectus is not qualified.

B.11.	Qualified working capital	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of the Prospectus.
B.34.	Investment policy	<p><i>Investment objective</i></p> <p>The investment objective of the Company is to provide Shareholders with regular, sustainable and growing long-term dividends (which it will seek to grow at least in line with the RPI inflation index) together with the potential for capital appreciation over the medium to long term.</p> <p><i>Investment policy</i></p> <p>The Company intends to meet its investment objective through acquiring, owning, leasing and developing high quality student residential accommodation let on direct tenancy agreements to tenants enrolled with Higher Education Institutions (“HEIs”). The Company will invest in modern, high-end, student accommodation assets with a focus on quality, and generally located in prime city centre locations in top university cities and towns. The Company is focused on investing in, and developing, high quality self-contained residential accommodation in locations where the Executive Directors believe attractive opportunities exist for the Company to exploit demand for student residential accommodation at the higher end of the quality scale. To deliver the high quality and high-end experience, the individual sizes of the assets are generally expected to be between 50 to 200 beds. In addition, each property will generally have:</p> <ul style="list-style-type: none"> • studios and 1–3 bedroom apartments; • generous space per student bed; • all rooms with en-suite bathroom and kitchen facilities; and • communal facilities to typically include: a cinema room, study rooms, a gym and break-out areas. <p>The Company anticipates that rental income will predominantly be generated from direct leases and/or licences to students (with the rent being inclusive of wifi/internet, all utilities, and access to on-site amenities). The Company also anticipates benefitting in some cases from ancillary commercial lease opportunities within student accommodation properties, including (but not limited to) retail outlets and mobile telephone transmission apparatus. The Company may in due course derive rental income from agreements with students that are guaranteed by HEIs or directly with HEIs. The Company may enter into soft nominations agreements (being marketing arrangements with HEIs to place their students in private accommodation). The Company will target upper quartile rental values, primarily servicing postgraduate and international students.</p>

		<p>The Group may acquire assets through acquisitions of the underlying property or through the acquisition of the subsidiary companies or other investment vehicles through which such properties are owned. The Company may opportunistically acquire portfolios of student accommodation properties. Following such a transaction, individual properties within such a portfolio, which do not meet the Group's required standards or which cannot be cost effectively refurbished, may be sold.</p> <p>The Company also intends to undertake limited development of new buildings or refurbishment conversion of existing properties for student accommodation and related services pursuant to the terms of the joint venture arrangement between the Company and Revcap, with other development partners or solely without a third party partner. Save for such development assets that may be held by the Group in 50/50 joint venture companies during the development phase of such projects, the Group intends to have sole ownership of all its investments. The Group intends to buy out its joint venture partners at or soon after practical completion.</p> <p>The Company will also focus on the acquisition of properties where the student accommodation units benefit from "Multiple Dwelling Relief", reducing SDLT on the value of such student accommodation units from 4 per cent. to 1 per cent.</p> <p>The Board intends to hold the Group's investments on a long term basis. The Group, however, may dispose of investments outside of this time frame, should an appropriate opportunity arise where, in the Board's opinion, the value that could be realised from such a disposal would represent a satisfactory return on the initial investment and/or otherwise enhance the value of the Group, taken as a whole. There is no limit on the number of investments which the Group may dispose of from the portfolio (subject always to maintaining compliance with the investment restrictions that form part of the investment policy).</p> <p><i>Investment restrictions</i></p> <p>The Company will invest and manage its assets with the objective of spreading risk through the following investment restrictions:</p> <ul style="list-style-type: none"> • the Company will generate its rental income from a portfolio of not less than five separate buildings (such minimum to exclude development projects, and to count two or more buildings in close proximity or on the same campus as a single building); • the value of no single asset at the time of investment will represent more than 20 per cent. of the Gross Asset Value; • at least 90 per cent. by value of the properties directly or indirectly owned by the Company shall be in the
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		<p>form of freehold or long leasehold properties (with over 100 years remaining at the time of acquisition) or the equivalent;</p> <ul style="list-style-type: none"> the Company may commit up to a maximum of 15 per cent. of its Net Asset Value (measured at the commencement of the project) to expenditure in relation to development or forward funded projects (including conversion of buildings to student accommodation). All development and forward funded projects will be conducted in special purpose vehicles with no recourse to the other assets of the Group. This restriction will be calculated by reference to the equity requirement of all such projects in progress (i.e. up to practical completion) at the time of commitment, to include expenditure already made in such projects and the remaining budgeted expenditure (the "Development Limit"). For the purposes of the Development Limit, "equity requirement" shall mean the amount of equity or shareholder loans contributed and/or committed by the Company or any other Group entity to the relevant special purpose vehicle and shall exclude other sources of funds obtained by such special purpose vehicle; the calculation of the Development Limit shall exclude from the numerator the acquisition cost of the relevant undeveloped land or property in use, or to be used, for development or forward funded projects, which shall be subject to a separate limit of 10 per cent. of Net Asset Value (measured at the time of investment); for the avoidance of doubt, the calculation of the Development Limit shall also exclude from the numerator all investment and expenditure on the renovation, restoration, fit-out, internal reconfiguration, maintenance and engineering works and general up-keep of any existing and new student accommodation investments by the Group; rent from ancillary commercial leases will be limited to 25 per cent. of total rent receipts of any single building and to 15 per cent. of the Group's total rent receipts; in each case where investment is via a joint venture, the relevant restriction will be calculated by reference to the Company's share of the relevant joint venture; and the Company will not invest in other closed-ended investment companies. <p>The Company will also seek to spread risk by seeking to achieve a diversified exposure to individual cities, towns and HEIs, though no quantitative limits are in place, due to the widely various demographics prevailing in different locations.</p>
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B.35.	Borrowing limits	<p>Conditional on full-scope AIFM Directive authorisation being obtained (as set out below under “Regulatory status of the Company and the Shares”) the Board expects to use Company level structural leverage for investment purposes to enhance equity returns.</p> <p>On 24 October 2014, the Company’s wholly-owned subsidiary Empiric Investments (One) Limited agreed a £35.5 million term loan facility with The Royal Bank of Scotland plc (acting as agent for National Westminster Bank plc). The RBS Facility Agreement is secured against a number of the Group’s standing operating assets. The amounts drawn down under the RBS Facility Agreement are segregated and are non-recourse to the Company, and do not have the effect of increasing the Company’s financial exposure to Empiric Investments (One) Limited or the standing operating assets of which it is the holding company. As a consequence, the amounts drawn down under the RBS Facility Agreement are not considered to be leverage attributable to the Company for the purposes of the AIFM Directive.</p> <p>In addition, development assets that are held by the Group in 50/50 joint venture companies during the development phase are not subject to the leverage restrictions arising from the AIFM Directive, and external development debt has currently been entered into in relation to the development of Brunswick House (Southampton).</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. If gearing is employed, the Company will maintain a conservative level of aggregate borrowings typically of 35 per cent., but no more than 40 per cent., of the Gross Asset Value (calculated at the time of draw down). Borrowings employed by the Group may either be secured on individual assets without recourse to the Company or by a charge over some or all of the Company’s assets to take advantage of potentially preferential terms. Development loans, however, will only be secured at the individual asset</p>

		<p>level, without recourse to the Group's other assets or revenues.</p> <p>The Company may engage in interest rate hedging in respect of borrowings, or otherwise seek to mitigate the risk of interest rate increases, for efficient portfolio management purposes only.</p> <p>The borrowing limits set out above will be inclusive of the Company's pro-rata share of development loans incurred in relation to joint venture development projects. Intra-group debt between the Company and subsidiaries will not be included in the definition of borrowings for these purposes.</p>
B.36.	Regulatory status	<p>The Company is not regulated as a collective investment scheme by the FCA. However, the Company and Shareholders are subject to the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.</p> <p>On 19 March 2014, the Company was granted registration by the FCA as a "small registered UK AIFM" pursuant to regulation 10(2) of the AIFM Regulations on the basis that it is a small internally managed AIF. Accordingly, whilst it holds this registration, the Company will not be subject in the UK, <i>inter alia</i>, to the marketing restrictions placed on AIFs and AIFMs under the AIFM Regulations.</p> <p>The Company, as its own AIFM, submitted an application to the FCA in August 2014 for a full-scope Part 4A permission under the AIFM Regulations. The Company currently anticipates obtaining full-scope authorisation within three to six months of submission.</p> <p>As a REIT, the Shares are "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments.</p> <p>The Company, as the principal company of the Group, has given notice to HMRC (in accordance with Section 523 CTA 2010) that the Group is a REIT and needs to comply with certain ongoing regulations and conditions (including minimum distribution requirements).</p>
B.37.	Typical investor	<p>An investment in the 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.38.	Investment of 20 per cent. or more in a single underlying issuer or investment company	Not applicable. The Company will not invest 20 per cent. of gross assets or more in a single underlying issuer or investment company.
B.39.	Investment of 40 per cent. or more in another collective investment undertaking	Not applicable. The Company will not invest 40 per cent. or more of gross assets in another collective investment undertaking.
B.40.	Applicant's service providers	<p><i>Investment support arrangements</i></p> <p>Revcap Advisors Limited is appointed by the Company under the terms of the Investment Support Agreement to provide certain real estate investment support services to the Company for the purpose of its business and in connection with the management of its real estate assets.</p> <p>Under the Investment Support Agreement, the Company pays to Revcap as consideration for the provision of its services a fee which shall accrue annually at a rate of 0.2 per cent of the Net Asset Value (but adjusted, with effect from the first anniversary of the IPO, to exclude any cash balances held by the Company from time to time), which fee shall be payable in arrears each quarter based on the last published Net Asset Value (calculated before deduction of any accrued fee for that quarter) but subject always to a minimum annual payment of £170,000 (which minimum payment shall be increased to £200,000 with effect from the first date on which the Company shall have either, (i) raised in aggregate new equity funds of at least £100 million, or (ii) achieved a published Net Asset Value of at least £100 million) and a capped maximum annual payment of £300,000.</p> <p>The Investment Support Agreement may be terminated at any time on not less than 12 months' notice by the Company or Revcap, such notice not to be given earlier than the second anniversary of the IPO.</p> <p><i>Facilities and lettings management arrangements</i></p> <p>The Company is responsible for the facilities and lettings management of all properties in the portfolio. To facilitate the administrative and resource requirements, the Group will engage professional external facilities and lettings managers. As at the date of the Prospectus, the Group has engaged the services of four facilities and lettings managers, Collegiate AC, Aberdeen Property Leasing Ltd, Corporate Residential Management Ltd and Tenant Direct Ltd, in relation to various properties in the Property Portfolio.</p>

		<p>The Company anticipates that further external facilities and lettings managers will be engaged in relation to future properties acquired by the Group.</p> <p>As at the date of the Prospectus, the majority of the Group's properties are under the facilities and lettings management of Collegiate AC. Under the Collegiate Property Management Agreement, the Company has agreed to pay Collegiate AC a percentage (ranging between 4.5 and 5.5 per cent.) of the income collected by it on each property, or aggregation of properties, depending on the size and location of each property. In addition, in relation to mobilisation services for new properties (i.e. preparing them for letting), the Company will pay Collegiate AC a fixed payment of £150 per bed (subject to a minimum of £15,000 per property). If occupation of a property is delayed and Collegiate AC is required to manage interim arrangements, it will be paid a fixed fee of £4,500 per month plus other direct expenses incurred. All fees are exclusive of VAT.</p> <p>Administration and company secretarial arrangements</p> <p>IOMA Fund and Investment Management Limited is appointed as administrator and company secretary to the Company and its subsidiaries. Under the terms of the Administration and Company Secretarial Agreement, the Administrator is paid an administration and company secretarial fee of £30,000 per annum (exclusive of VAT). This fee is subject to review annually</p> <p>The Administration and Company Secretarial Agreement is terminable upon six months' written notice.</p> <p>Registrar arrangements</p> <p>Computershare Investor Services PLC has been appointed registrar of the Company. Under the terms of the Registrar Agreement, the Registrar is paid an annual maintenance fee of £1.20 per Shareholder account per annum, subject to a minimum fee of £3,000 per annum. The Registrar is also entitled to activity fees under the Registrar Agreement.</p> <p>The Registrar Agreement may be terminated on six months' notice, such notice not to expire prior to the second anniversary of Admission.</p> <p>Audit services</p> <p>BDO LLP provides audit services to the Company.</p>
B.41.	Regulatory status of investment manager and custodian	<p>The Company is internally managed by the Board and has not appointed an external investment manager. The Company has not appointed a custodian.</p>
B.42.	Calculation of Net Asset Value	<p>The Net Asset Value (and Net Asset Value per Share) will be calculated quarterly by the Company and reviewed by the Administrator. Calculations will be made in accordance with IFRS. Details of each quarterly valuation, and of any</p>

		<p>suspension in the making of such valuations, will be announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. The quarterly valuations of the Net Asset Value (and Net Asset Value per Share) will be calculated on the basis of the most recent semi-annual valuation of the Company's properties.</p> <p>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 systems failure of the Company) 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.</p>																																																																						
B.43.	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.																																																																						
B.44.	Financial statements	The Company has commenced operations and historical financial information is included in the Prospectus.																																																																						
B.45.	Portfolio	<p>As at the date of the Prospectus, the Property Portfolio consists of the following investments comprising a mix of operating properties and development and forward funded projects.</p> <p>Operating properties</p> <table><tr><th>Name</th><th>Location</th><th>No. of Beds</th><th>Date of acquisition</th><th>Market value as at 29 Oct 2014 (£)</th></tr><tr><td>College Green Picturehouse</td><td>Bristol</td><td>84</td><td>July 2014</td><td>10,130,000</td></tr><tr><td>Apartments</td><td>Exeter</td><td>102</td><td>July 2014</td><td>11,522,000</td></tr><tr><td>Summit House</td><td>Cardiff</td><td>87</td><td>July 2014</td><td>9,610,000</td></tr><tr><td>Edge</td><td>Selly Oak,</td><td></td><td></td><td></td></tr><tr><td>Apartments</td><td>Birmingham</td><td>77</td><td>August 2014</td><td>8,940,000</td></tr><tr><td>The Brook</td><td>Selly Oak,</td><td></td><td></td><td></td></tr><tr><td></td><td>Birmingham</td><td>106</td><td>July 2014</td><td>12,410,000</td></tr><tr><td>Centro Court</td><td>Aberdeen</td><td>56</td><td>September 2014</td><td>6,710,000</td></tr><tr><td>London Road⁽¹⁾</td><td>Southampton</td><td>46</td><td>–</td><td>4,000,000</td></tr><tr><td>Talbot Studios</td><td>Nottingham</td><td>98</td><td>September 2014</td><td>8,500,000</td></tr><tr><td>Alwyn Court</td><td>Cardiff</td><td>51</td><td>October 2014</td><td>3,740,000</td></tr><tr><td>Northgate House⁽²⁾</td><td>Cardiff</td><td>67</td><td>–</td><td>5,600,000</td></tr><tr><td>Total</td><td></td><td>774</td><td></td><td>81,162,000</td></tr></table> <p>(1) The Group has exchanged contracts to acquire London Road (Southampton). Completion of the acquisition will occur by 30 November 2014.</p> <p>(2) The Group has exchanged contracts to acquire Northgate House, parts of which are still currently under construction. Completion of the acquisition will take place on practical completion which is scheduled to occur in January 2015. The vendor has provided a 100 per cent. rental guarantee for the 2014/2015 academic year in respect of the parts of the property which are not currently let. The market value is based on the special assumption that Northgate House has reached practical completion and is fully let at the date of valuation.</p>	Name	Location	No. of Beds	Date of acquisition	Market value as at 29 Oct 2014 (£)	College Green Picturehouse	Bristol	84	July 2014	10,130,000	Apartments	Exeter	102	July 2014	11,522,000	Summit House	Cardiff	87	July 2014	9,610,000	Edge	Selly Oak,				Apartments	Birmingham	77	August 2014	8,940,000	The Brook	Selly Oak,					Birmingham	106	July 2014	12,410,000	Centro Court	Aberdeen	56	September 2014	6,710,000	London Road ⁽¹⁾	Southampton	46	–	4,000,000	Talbot Studios	Nottingham	98	September 2014	8,500,000	Alwyn Court	Cardiff	51	October 2014	3,740,000	Northgate House ⁽²⁾	Cardiff	67	–	5,600,000	Total		774		81,162,000
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B.46.	Net Asset Value	As at 31 July 2014, the audited Net Asset Value per Share was 98.3 pence. As at 30 September 2014, the unaudited Net Asset Value per Share was 99.8 pence, prior to adjusting for the interim dividend declared today by the Company of 1.5 pence per Share.																																				

Section C – Securities		
Element	Disclosure Requirement	Disclosure
C.1.	Type and class of securities	The Company intends to issue up to 300 million Shares pursuant to the Share Issuance Programme. The ISIN of the Shares is GB00BLWDV75 and the SEDOL is BLWDV7. The ticker for the Company is ESP.
C.2.	Currency	Sterling.
C.3.	Issued Shares	As at 29 October 2014 (being the latest practicable date prior to the publication of the Prospectus), the issued share capital of the Company was £850,000.01 divided into 85,000,001 Shares of £0.01 each.
C.4.	Description of the rights attaching to the securities	The Shares issued pursuant to the Share Issuance Programme 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 existing Share then in issue and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Share, as set out in the Articles. For the avoidance of doubt, Shares subscribed pursuant to the Initial Issue will not rank for the first interim dividend

		declared today in relation to the period from the IPO to 30 September 2014.
C.5.	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares.
C.6.	Admission	<p>Application will be made to the UKLA and the London Stock Exchange respectively for the Shares to be issued pursuant to the Share Issuance Programme to be admitted to the premium listing segment of the Official List and to trading on the Main Market.</p> <p>It is expected that Initial Admission will become effective and that dealings in Shares issued pursuant to the Initial Issue will commence on 24 November 2014.</p>
C.7.	Dividend policy	<p>The Company intends to pay dividends on a quarterly basis with dividends declared in February, May, August and November in each year and paid within one month of being declared.</p> <p>On the basis of the Principal Bases and Assumptions, the Company expects to pay dividends of 2 pence per Share in respect of the period from Admission to 31 December 2014. In this regard the Company has today declared the first interim dividend of 1.5 pence per Share in relation to the period and expects the balance of the 2 pence per Share to be paid following the period end.</p> <p>The Company expects to pay dividends of at least 2.0 pence per Share for the first six months of 2015 and will target an annual dividend of 6 pence per Share for the financial year commencing 1 July 2015. Thereafter dividends are expected to grow by not less than inflation.</p> <p>In order to obtain and comply with REIT status the Company will be required to meet a minimum distribution test for each year that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits (as calculated for UK tax purposes) of the Property Rental Business for each accounting period, as adjusted for tax purposes.</p> <p>The Company will also target an additional 7.0 per cent. average annual growth in NAV (based on the issue price at IPO), to be delivered both from its development activities and through standing asset value growth resulting from potential rental increases. Together this would represent a total target annualised Shareholder return of 13 per cent. per annum (based on the issue price at IPO) following full investment of the net proceeds of the Share Issuance Programme.</p> <p><i>Investors should note that the figures in relation to dividends, total shareholder return and targeted annual growth in NAV set out above are for illustrative purposes only and are not intended to be, and should not be taken as, a profit forecast or estimate.</i></p>

Section D – Risks		
Element	Disclosure Requirement	Disclosure
D.1.	Key information on the key risks that are specific to the Company or its industry	<p><i>The Company has a limited operating history</i></p> <p>The Company was incorporated on 11 February 2014 and was listed on 30 June 2014. As the Company has a limited operating history, investors have a limited basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.</p> <p><i>The Company may not meet its investment objective</i></p> <p>The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.</p> <p><i>Investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its operating results</i></p> <p>Returns achieved are reliant primarily upon the performance of the Property Portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in the Shares.</p> <p><i>The Group's rental income and property values may be adversely affected by increased supply of student accommodation, the failure to collect rents, increasing operating costs or any deterioration in the quality of the properties in the Group's portfolio</i></p> <p>Rental income and property values may be adversely affected by increased supply of student accommodation, the failure to collect rents because of tenants' or licensees' inability to pay or otherwise, the periodic need to renovate and the costs thereof and increased operating costs. A decrease in rental income and/or on property values may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.</p> <p><i>The Group may not be able to maintain or increase the rental rates for its rooms, which may, in the longer term, have a material adverse impact on the value of the Group's properties, as well as the Group's turnover</i></p> <p>The value of the Group's properties and the Group's turnover will be dependent on the rental rates that can be achieved from the properties that the Group owns. The ability of the Group to maintain or increase the rental rates for its rooms and properties generally may be adversely affected by general UK economic conditions and/or the disposable income of students. Any failure to maintain or increase the rental rates for the Group's rooms and properties generally may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of</p>

		<p>the Shares and the Group's ability to meet interest and capital repayments on any debt facilities.</p> <p><i>The Group may not be able to maintain the occupancy rates of the Group's properties or any other student accommodation properties it acquires, which may have a material adverse effect on the Company's revenue performance, margins and asset values</i></p> <p>The ability of the Group to maintain attractive occupancy levels (or to maintain such levels on economically favourable terms) in relation to its properties may be adversely affected by a number of factors, including a fall in the number of students, competing sites, any harm to the reputation of the Group amongst universities, students or other potential customers, or as a result of other local or national factors. A fall in occupancy levels may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Shares.</p> <p><i>Property valuation is inherently subjective and uncertain</i></p> <p>The valuation of the Group's properties is inherently subjective, in part because all property valuations are made on the basis of assumptions that may not prove to be accurate, and, in part, because of the individual nature of each property. This is particularly so where there has been more limited transactional activity in the market against which the Group's property valuations can be benchmarked by the Group's independent third-party valuation agents. Valuations of the Group's investments may not reflect actual sale prices or optimal purchase prices even where any such transactions occur shortly after the relevant valuation date.</p> <p><i>Competition with other participants in the student accommodation sector</i></p> <p>In recent years a number of UK and international property investors have become active in the UK student accommodation sector. The Group also faces the threat of new competitors emerging. Such competitors may have access to larger financial resources than the Group and/or be targeting lower investment returns. Competition in the student accommodation sector may lead to an oversupply of rooms through overdevelopment, to prices for existing properties or land for development being inflated through competing bids by potential purchasers or to the rents to be achieved from existing properties being adversely impacted by an oversupply of rooms. This could have a material adverse effect on the Company's financial position and results of operations.</p> <p><i>Availability of investment opportunities</i></p> <p>The availability of potential investments which meet the Company's investment strategy will depend on the state of the economy and financial markets in the UK. The Company can offer no assurance that it will be able to identify and</p>
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		<p>make investments that are consistent with its investment strategy or that it will be able to fully invest its available capital. The inability to find or agree terms of such investment opportunities could have a material adverse effect on the Company's financial position and results of operations.</p> <p><i>Construction of the Group's development projects may be subject to delays or disruptions that are outside of the Group's control</i></p> <p>The Group will depend on skilled third party contractors for the timely construction of its developments in accordance with international standards of quality and safety. The process of construction may be delayed or disrupted by a number of factors, such as inclement weather or acts of nature, industrial accidents, defective building methods or materials and the insolvency of the contractor. Any of these factors, alone or in combination, could delay or disrupt the construction process by halting the construction process or damaging materials or the development itself. In addition, the costs of construction depends primarily on the costs of materials and labour, which may be subject to significant unforeseen increases. The Group may not be able to recover cost overruns under its insurance policies or from the responsible contractor or sub-contractor or may incur holding costs and the development may decrease in value, any of which could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Shares.</p> <p><i>If the Group fails to maintain REIT status for UK tax purposes, its profits and gains will be subject to UK corporation tax</i></p> <p>The requirements for maintaining REIT status are complex. Minor breaches of certain conditions within the REIT regime may only result in additional tax being payable or may not be penalised if remedied within a given period of time, provided that the regime is not breached more than a certain number of times. A serious breach of these regulations may lead to the Group ceasing to be a REIT. If the Company or the Group fails to meet certain of the statutory requirements to maintain its status as a REIT, it may be subject to UK corporation tax on its property rental income profits and any chargeable gains on the sale of some or all properties. This could reduce the reserves available to make distributions to Shareholders and the yield on the Shares. In addition, incurring a UK corporation tax liability might require the Company and the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Group's REIT status is withdrawn altogether because of its failure to meet one or more REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred.</p>
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D.3.	Key information on the key risks that are specific to the Shares	<p><i>The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share</i></p> <p>The Shares may trade at a discount to NAV per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and investment policy, an excess of supply over demand in the Shares, and to the extent investors undervalue the management activities of the Executive Directors or discount the valuation methodology and judgments made by the Company. While the Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.</p> <p><i>The value and/or market price of the Shares may go down as well as up</i></p> <p>Prospective investors should be aware that the value and/or market price of the Shares may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.</p> <p><i>The Company will in the future issue new equity, which may dilute Shareholders' equity</i></p> <p>The Company will issue new equity in the future pursuant to the Share Issuance Programme or otherwise. Where statutory pre-emption rights under the Companies Act are disapplied, any additional equity finance will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.</p> <p><i>Future sales of Shares could cause the share price to fall</i></p> <p>Sales of Shares by significant investors could depress the market price of the Shares. A substantial amount of Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Shares. Both scenarios may make it more difficult for Shareholders to sell the Shares at a time and price that they deem appropriate.</p>
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Section E – Offer		
Element	Disclosure Requirement	Disclosure
E.1.	Proceeds and expenses	<p>On the assumption that gross proceeds of £65.65 million are raised pursuant to the Initial Issue, the expenses payable by the Company will not exceed £1.31 million (being 2 per cent. of the gross proceeds of the Initial Issue), resulting in net proceeds of approximately £64.34 million.</p>

		<p>The total net proceeds of the Share Issuance Programme will depend on the number of Shares issued throughout the Share Issuance Programme, the issue price of such Shares, and the aggregate costs and commissions for each Tranche. However, the aggregate costs and commissions will be fixed at a level of 2 per cent. of the gross issue proceeds.</p>
E.2.a.	Reason for the offer and use of proceeds	<p>The Share Issuance Programme is being undertaken in order to raise funds for the purpose of achieving the Company's investment objective.</p> <p>The proceeds from the Share Issuance Programme are expected to be utilised to acquire, or to fund the development of, high-end student accommodation assets in accordance with the Company's investment policy.</p>
E.3.	Terms and conditions of the offer	<p>The Company intends to issue up to 300 million Shares pursuant to the Share Issuance Programme. Shares will only be issued at times when the Company considers that suitable investments in accordance with the Company's investment policy will be capable of being secured.</p> <p>The Share Issuance Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares on appropriate occasions over a period of time. The Share Issuance Programme is intended to satisfy market demand for the Shares and to raise further money for investment in accordance with the Company's investment policy.</p> <p>Subject to the requirements of the Listing Rules, the price at which each new Share will be issued will be calculated by reference to the latest published Net Asset Value per Share.</p>
E.4.	Material interests	Not applicable. No interest is material to the Initial Issue.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Shares as part of the Initial Issue.
E.6.	Dilution	Existing Shareholders who do not participate in the Share Issuance Programme may have their percentage holding in the Company diluted on the issue of new Shares.
E.7.	Estimated Expenses charged to the investor by the issuer	<p>The Company will not charge investors any separate costs or expenses in connection with the Initial Issue. The costs and expenses incurred by the Company in connection with the Initial Issue are fixed at 2 per cent. of the gross proceeds of the Initial Issue (that is £1.31 million assuming gross proceeds of the Initial Issue of £65.65 million) and will be borne by the Company.</p> <p>The issue price of Shares issued pursuant to the Share Issuance Programme shall include a premium to the Net Asset Value per Share and the costs and expenses of such issue payable by subscribers (including placing commissions) will be borne out of such premium.</p>

THIS REGISTRATION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an 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 from 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 Empiric Student Property Plc (the "**Company**") (the "**Prospectus**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made pursuant to section 73A of FSMA, has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at www.espreit.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 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 Financial Conduct Authority 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.

The Company and the Directors, whose names appear on page 17 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.

EMPIRIC STUDENT PROPERTY PLC

(Incorporated in England and Wales with registered number 08886906 and registered as an investment company under Section 833 of the Companies Act)

REGISTRATION DOCUMENT

Sponsor, Joint Financial Adviser and Sole Global Coordinator and Bookrunner

JEFFERIES INTERNATIONAL LIMITED

Joint Financial Adviser

AKUR LIMITED

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 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, Jefferies and Akur 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 either of them, or on behalf of them, the Company or any other person in connection with the Company or the 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 accordingly disclaim all and any responsibility or liability 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.

The Shares 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 or regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only (i) outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder and (ii) pursuant to the U.S. Private Placement to persons located inside the United States or U.S. Persons that are "qualified institutional buyers" (as the term is defined in Rule 144A under the U.S. Securities Act) that are also "qualified purchasers" within the meaning of section 2(a) (51) of the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") in reliance on the exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

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.espreit.co.uk>) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm.

Dated: 30 October 2014.

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RISK FACTORS

The Directors believe the risks described below are the material risks relating to an investment in the Shares and the Company at the date of this Registration Document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Registration Document, may also have an adverse effect on the performance of the Company and the value of the Shares. In addition, specific risk factors in respect of the 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.

RISKS RELATING TO THE GROUP

The Company has a limited operating history

The Company was incorporated on 11 February 2014 and was listed on 30 June 2014. As the Company has a limited operating history, investors have a limited basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

The Company's returns and operating cash flows will depend on many factors, including the performance of its investments, the availability and liquidity of investment opportunities falling within the Company's investment objective and policy, conditions in the financial markets, real estate market and economy and the Company's ability to successfully operate its business and execute its investment objective and investment policy. There can be no assurance that the Company's investment objective and investment policy will be successful.

The Company may not meet its investment objective

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

The Company's investment objective includes the aim of providing Shareholders with regular, sustainable and growing long-term dividends. The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and the Company's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well the provisions of relevant laws or generally accepted accounting principles from time to time. There can be no assurance as to the level and/or payment of future dividends by the Company.

The Company's investment objective includes the aim of providing Shareholders with capital appreciation over the medium to long term. The amount of any capital appreciation will depend upon, amongst other things, the Company successfully pursuing its investment policy and the performance of the Company's investments. There can be no assurance as to the level of any capital appreciation over the long term.

The Company's targeted returns are based on estimates and assumptions that are inherently subject to significant uncertainties and contingencies, and the actual rate of return may be materially lower than the targeted returns

The Company's targeted returns set out in this Registration Document are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, asset mix, value, holding periods, performance of the Company's investments, investment liquidity and interest rates, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may

adversely affect the Company's ability to achieve its targeted returns. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with the targets. Furthermore, the targeted returns are based on the market conditions and the economic environment at the time of assessing the targeted returns, and are therefore subject to change. In particular, the targeted returns assume no material changes occur in government regulations or other policies, or in law and taxation, and that the Company is not affected by natural disasters, terrorism, social unrest or civil disturbances or the occurrence of risks described elsewhere in this Registration Document. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this Registration Document. Accordingly, the actual rate of return achieved may be materially lower than the targeted returns, or may result in a partial or total loss, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

Dependence on the Executive Directors

The Group's ability to achieve its investment objective is partially dependent on the performance of the Executive Directors in terms of the acquisition of investments for the Group, the carrying out of the Group's development projects, the management of the Group's properties and the determination of any financing arrangements. The performance of the Executive Directors cannot be guaranteed. Failure by the Executive Directors to acquire and manage assets effectively could materially adversely affect the Company's profitability, the Net Asset Value and the price of the Shares.

Consequently, the future ability of the Group to successfully pursue its investment strategy may, among other things, depend on the ability of the Company to retain its existing Executive Directors and other staff and/or to recruit individuals of similar experience and calibre. Whilst the Company has and will endeavour to ensure that the Executive Directors are suitably incentivised, the retention of Executive Directors cannot be guaranteed. Furthermore, in the event of a departure of an Executive Director, there is no guarantee that the Company would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Group. Events impacting but not entirely within the Company's control, such as its financial performance, it being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain any or all of the Executive Directors.

An appreciation in the value of Sterling may decrease demand for accommodation by international students

It is expected that a significant majority of tenants in the Group's properties will be international students. As such, any appreciation in the value of Sterling may decrease demand for accommodation by international students which may materially and adversely impact the Company's profitability, the Net Asset Value and price of the Shares.

The Group's performance will depend on general property and investment market conditions

The Group's performance will depend to a significant extent on property values in the United Kingdom. An overall downturn in the UK property market and/or the availability of credit to the UK property sector may have a material adverse effect on the value of the Property Portfolio and ultimately upon the Net Asset Value and the ability of the Group to generate revenues.

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

Returns achieved are reliant primarily upon the performance of the Property Portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in the Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of properties in the Property Portfolio from time to time, changes in the Group's rental income, operating expenses, occupancy rates, the degree to which the Group encounters competition and general economic and market conditions. Such variability may be reflected in dividends, may lead to volatility in the trading price of the Shares and may cause the Company's results for a particular period not to be indicative of its performance in a future period.

The Group's rental income and property values may be adversely affected by increased supply of student accommodation, the failure to collect rents, increasing operating costs or any deterioration in the quality of the properties in the Property Portfolio

Rental income and property values may be adversely affected by an increase in the supply of student accommodation, the failure to collect rents because of tenants' inability to pay or otherwise, the periodic need to renovate and the costs thereof and increased operating costs. A decrease in rental income and/or on property values may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

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

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

Changes in laws, regulations and/or government policy may adversely affect the Group's business

The Group and its operations are subject to laws and regulations enacted by central and local government and central government policy. Any change in the laws, regulations and/or central government policy affecting the Group may have a material adverse effect on the ability of the Group to successfully pursue its investment policy and meet its investment objective and on the value of the Company and the Shares. In such event, the investment returns of the Company may be materially adversely affected. Such potential changes in law, regulation and/or government policy include:

- increased tuition fees, decreased student loans and/or grants and reducing the number of international students granted student visas which may reduce student numbers (both from the United Kingdom and overseas) and reduce students' disposable income which may in turn reduce demand for student accommodation and rents;
- more onerous health and safety and environmental legislation and regulation which may increase the costs of compliance and reduce the Group's earnings; and
- less onerous planning legislation and regulation which may result in increased supply of student accommodation and adversely impact occupancy rates and reduce rents.

The Group may not be able to maintain the occupancy rates of the Group's properties or any other student accommodation properties it acquires, which may have a material adverse effect on the Company's revenue performance, margins and asset values

The ability of the Group to maintain attractive occupancy levels (or to maintain such levels on economically favourable terms) in relation to its properties may be adversely affected by a number of factors, including a fall in the number of students, competing sites, any harm to the reputation of the Group amongst universities, students or other potential customers, or as a result of other local or national factors. A fall in occupancy levels may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Shares.

The Group may not be able to let the commercial units forming part of the Group's properties or any other student accommodation properties it acquires, which may have a material adverse effect on the Company's revenue performance, margins and asset values

A number of the Group's operational properties include commercial units, which are expected to generate between 5 and 20 per cent. (depending upon each property) of the individual total rental income from such properties. Future properties which the Group acquires and which contain commercial units may follow a similar profile. In the event that the Group proved unable to let or renew a lease in one or more of the commercial units in the future, due to general commercial property market conditions or otherwise, this could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

Reliance on service providers and other third parties

The Group will rely on the services of certain third party service providers for the provision of a number of functions which are important to the operation of the Group's business. In particular, Revcap (pursuant to the terms of the Investment Support Agreement), the Administrator and the facilities and lettings managers engaged by the Group in relation to its properties, and their respective delegates, if any, will perform services that are important to the Group's operations. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Group at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Group's performance and returns to Shareholders. To the extent that these third parties are unable or unwilling to perform their contractual commitments, there is a risk of reputational damage to the Group, or that the Group will have to seek alternative contractors (or to perform such services itself) which could be difficult or more costly. The termination of the Group's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could disrupt the business of the Group materially and could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares. Further, misconduct or misrepresentations by employees of the third party service providers could cause significant losses to the Company.

Past performance cannot be relied upon as an indicator of future performance

The past performance of the Group's properties and of the Executive Directors cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent on the Company successfully pursuing its investment objective and investment policy. The success of the Company will depend, amongst other things, on the Executive Directors' ability to identify and acquire investments in accordance with the Company's investment policy. There can be no assurance that they will be able to do so. An investor may not get back the amount originally invested. The Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

The Group's investments will be illiquid and may be difficult or impossible to realise at any particular time

The Group will invest in student residential accommodation. Such investments are illiquid and may be difficult for the Group to sell and the price achieved on any such realisation may be at a discount to the prevailing valuation of the relevant investment which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

Property valuation is inherently subjective and uncertain

The valuation of the Group's properties is inherently subjective, in part because all property valuations are made on the basis of assumptions that may not prove to be accurate, and, in part, because of the individual nature of each property. This is particularly so where there has been more limited transactional activity in the market against which the Group's property valuations can be benchmarked by the Group's independent valuer. Valuations of the Group's investments may not reflect actual sale prices or optimal purchase prices even where any such transactions occur shortly after the relevant valuation date.

Competition with other participants in the student accommodation sector

In recent years a number of UK and international property investors have become active in the UK student accommodation sector. The Group also faces the threat of new competitors emerging. Such competitors may have access to larger financial resources than the Group and/or be targeting lower investment returns. Competition in the student accommodation sector may lead to an oversupply of rooms through overdevelopment, to prices for existing properties or land for development being inflated through competing bids by potential purchasers or to the rents to be achieved from existing properties being adversely impacted by an oversupply of rooms. Accordingly, the existence of such competition may have a material adverse effect on the Group's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis and to acquire properties or develop land at satisfactory cost. This could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

Availability of investment opportunities

The availability of potential investments which meet the Company's investment strategy will depend on the state of the economy and financial markets in the UK. The Company can offer no assurance that it will be able to identify and make further investments that are consistent with its investment objective and investment policy or that it will be able to fully invest its available capital.

Investment opportunities that may be identified by the Company as being potential investments for the Company may be in the process of due diligence and/or negotiation or discussion. There is no guarantee that these investment opportunities will continue to be available in the future at a time or in a form which is convenient for the Group or that the Group will or will be able to invest in these opportunities. The inability to find, or agree terms for, such investment opportunities could have a material adverse effect on the Company's profitability, the Net Asset Value and the value of the Shares.

The Group's due diligence may not identify all risks and liabilities in respect of an acquisition or lease agreement

Prior to entering into an agreement to acquire any property, the Group will perform due diligence on the proposed investment. In doing so, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations). To the extent that such third parties underestimate or fail to identify risks and liabilities (including any environmental liabilities) associated with the investment in question, the Group may be subject to defects in title, to environmental, structural or operational defects requiring remediation, or the

Group may be unable to obtain necessary permits which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

A due diligence failure may also result in properties that are acquired failing to perform in accordance with projections, particularly as to rent and occupancy, which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

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

The Group may be required to put down a deposit and expects to incur certain third-party costs in respect of potential pipeline investments, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable assets. There can be no assurance that the Group will not forfeit any deposit or as to the level of such costs. The forfeiture of a deposit may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares and there can be no guarantee that the Group will be successful in its negotiations to acquire any given potential pipeline investment.

The Group may suffer losses in excess of insurance proceeds, if any, or from uninsurable events

Although the Group expects to have the benefit of insurance coverage for reinstatement costs and loss of rental income for all of its properties, and the benefit of certain insurance policies covering such matters as restrictive covenants and rights of light, the Group's properties may suffer physical damage resulting in losses (including loss of rent) and/or face other claims which may not be fully compensated for by insurance, or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Group may lose capital invested in the affected property as well as anticipated future revenue from that property and the Group might also remain liable for any debt or other financial obligations related to that property. Any material uninsured losses may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

There is a risk of accidents causing personal injury at premises owned by the Group, which could result in litigation against the Group and/or harm the Group's reputation

There is a risk of accidents at premises owned by the Group, which could result in personal injury to tenants, people visiting the premises, employees, contractors or members of the public. The Group has public liability insurance in place which the Directors consider will provide an adequate level of protection against third party claims. However, should an accident attract publicity or be of a size and/or nature that is not adequately covered by insurance, the resulting publicity and costs could have an adverse impact on the Company's reputation, profitability, the Net Asset Value and the price of the Shares.

Risks relating to the use of leverage

Certain Group Companies have, and the Group expects in the future, to take on leverage in accordance with the Company's borrowing policy. Investors should be aware that, whilst the use of borrowings should enhance Net Asset Value per Share, where the value of the Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is declining. In addition, in the event that the rental income derived from the Group's property assets declines, including as a result of defaults by tenants pursuant to their leases with the Group, the use of borrowings will amplify the impact of such declines on the net revenue of the Group and, accordingly, this may have a material adverse effect on the Company's profitability, dividend payments, the Net Asset Value and the price of the Shares.

If the value of the Group's assets falls, the Net Asset Value of the Company will reduce. Furthermore, the borrowings which certain Group Companies use (and which the Group will in the

future use) are expected to contain loan to value covenants, being the accepted market practice in the UK. If real estate assets owned by Group Companies and used as collateral for any borrowings 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; 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 Group as a whole.

Any increase in Sterling interest rates could have an adverse impact on the Group's cost of borrowing or its ability to secure borrowing facilities and could result in the expected dividends of the Company being reduced and a reduction in the price of the Shares.

The Company anticipates the Group Companies incurring debt with interest payable based on LIBOR. Depending upon market conditions the relevant borrowing Group Companies may hedge or partially hedge interest rate exposure on borrowings, however such measures may not be sufficient to protect the Group from adverse movements in prevailing interest rates to the extent exposures are hedged or hedges are inadequate to offer full protection. If exposures are hedged, interest rate movements may lead to mark-to-market movements in the value of the hedging instrument, which may be positive or negative and upon breaking of such hedges may cause crystallisation of gains or losses for the Group. In addition, hedging arrangements expose the Group to credit risk in respect of the hedging counterparty. Increased exposure to interest rate movements may have a material adverse effect on the Company's profitability, dividend payments, the Net Asset Value and the price of the Shares.

Any amounts that are secured by a Group Company under a loan facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Group's assets generate insufficient returns to cover the Group's operating costs and interest expense, Shareholders may not recover their initial investment on a liquidation of the Company or when they sell their Shares.

RISKS ASSOCIATED WITH REAL ESTATE DEVELOPMENT ACTIVITY

Pursuant to the Company's investment policy, the Company may commit up to a maximum of 15 per cent. of its Net Asset Value (measured at the commencement of the project) to expenditure in relation to development or forward funded projects (including conversion of buildings to student accommodation). The following risk factors are those considered to be material in respect of the Group's real estate development activities and may singly or in combination reduce the value of the Group's assets.

Commercial risks associated with real estate development

The Group's development activities are likely to involve a higher degree of risk than is associated with its operating properties and will require the Group to assess each development opportunity, including the return on investment, transport and other infrastructure attributes of the location, the quality of the specification, the configuration and the flexibility of accommodation and the timing and delivery of the completed property. Inaccurate assessment of a development opportunity or a decrease in tenant demand due to competition from other student accommodation properties or adverse market conditions, could result in a substantial proportion of the development remaining vacant after completion. Such vacancies would affect the level of rental income obtained, the amount of realised sales proceeds and the value of the development property, all of which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

Risks associated with the planning application and approval process

In the event that planning applications for the Group's development projects are unsuccessful or are granted subject to constraints or conditions which the Group regards as unacceptable

or onerous (and which the Group is unsuccessful, or concludes is unlikely to be successful, in removing), then the Group may conclude that it is not likely to realise anticipated value from such development opportunities and, accordingly, may decide not to proceed with, or to defer, construction. In any event, the decision to proceed with construction of any development will depend upon the Group's assessment that such development project is likely to provide a satisfactory return on investment having regard to such factors as the cost of construction, timing and delivery of completed property, planning and development constraints and conditions, and local and general market conditions. The Group may defer or decide not to proceed with construction of any development that does not satisfactorily meet its assessment criteria. The failure to obtain satisfactory planning permission or any decision to defer or not proceed with construction could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

Construction of the Group's development projects may be subject to delays or disruptions that are outside of the Group's control

The Group will depend on skilled third party contractors for the timely construction of its developments in accordance with UK standards of quality and safety. The process of construction may be delayed or disrupted by a number of factors, such as inclement weather or acts of nature, industrial accidents, defective building methods or materials and the insolvency of the contractor. Any of these factors, alone or in combination, could delay or disrupt the construction process by halting the construction process or damaging materials or the development itself. In addition, the costs of construction depends primarily on the costs of materials and labour, which may be subject to significant unforeseen increases. The Group may not be able to recover cost overruns under its insurance policies or from the responsible contractor or sub-contractor or may incur holding costs, the development may decrease in value and the Group may sustain reputational damage, any of which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

The Group's development projects will be subject to the hazards and risks normally associated with the construction and development of real estate assets

The Group's development projects will be subject to the hazards and risks normally associated with the construction and development of real estate assets, including personal injury and property damage. The occurrence of any of these events could result in significant increased operating costs, reputational damage, fines, legal fees, or criminal prosecution of the companies within the Group, and their directors or management, all of which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

RISKS RELATING TO TAXATION AND REGULATION

A change in the Company's tax status or in taxation legislation in the UK could adversely affect the Company's profits and portfolio value and/or returns to Shareholders

The levels of, and reliefs from, taxation may change, adversely affecting the financial prospects of the Company and/or the returns payable to Shareholders.

Any change in the Company's tax status or in taxation legislation in the UK (including a change in interpretation of such legislation) could affect the Company's ability to achieve its investment objective or provide favourable returns to Shareholders. In particular, an increase in the rates of SDLT or the abolition of Multiple Dwelling Relief could have a material effect on the price at which UK property assets can be acquired. Any such change could also adversely affect the net amount of any dividends payable to Shareholders and/or the price of the Shares.

There is no guarantee that the Group will maintain REIT status

The Company cannot guarantee that the Group will maintain REIT status nor can it guarantee continued compliance with all of the REIT conditions and there is a risk that the REIT regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT regime if:

- it regards a breach of conditions or failure to satisfy the conditions relating to the REIT status of the Company or the Group, or an attempt to obtain a tax advantage, as sufficiently serious;
- the Company or the Group has committed a certain number of breaches in a specified period; or
- HMRC has given members of the Group at least two notices in relation to the avoidance of tax within a 10 year period.

If the conditions for REIT status relating to the share capital of the Company (i.e. the Company may issue only one class of ordinary share capital and/or issue non-voting restricted preference shares) or the prohibition on entering into loans with abnormal returns are breached, or the Company ceases to be UK tax resident, becomes dual tax resident or becomes an open-ended investment company, the Group will automatically lose its REIT status with effect from the end of the previous accounting period.

The Group could lose its status as a REIT as a result of actions by third parties, for example, in the event of a successful takeover by a company that is not a REIT, or due to a breach of the close company conditions after the period of 3 years beginning with the date the Group becomes a REIT, if it is unable to remedy the breach within a specified timeframe.

Future changes in legislation may cause the Group to lose its REIT status.

If the Group were to be required to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the Group is treated as exiting the REIT regime. The Group may also in such circumstances be subject to an increased tax charge.

If the Group fails to remain a REIT for UK tax purposes, its profits and gains will be subject to UK corporation tax

The requirements for maintaining REIT status are complex. Minor breaches of certain conditions within the REIT regime may only result in additional tax being payable or will not be penalised if remedied within a given period of time, provided that the regime is not breached more than a certain number of times. A serious breach of these regulations may lead to the Group ceasing to be a REIT. If the Company or the Group fails to meet certain of the statutory requirements to maintain its status as a REIT, it may be subject to UK corporation tax on its property rental income profits and any chargeable gains on the sale of some or all properties. This could reduce the reserves available to make distributions to Shareholders and the yield on the Shares. In addition, incurring a UK corporation tax liability might require the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Group's REIT status is withdrawn altogether because of its failure to meet one or more REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred.

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

The Group is intending to grow through acquisitions of operating properties and development of new properties. However, the REIT distribution requirements may limit the Group's ability to fund acquisitions and capital expenditures through retained income earnings. To maintain REIT status and as a result obtain full exemption from UK corporation tax on the profits of the Property Rental Business of the Group, the Company is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distributions. The Group would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that the Company distributes as Property Income Distributions less than the amount required to meet the 90 per cent. distribution test for each accounting period. Therefore, the Group's ability to grow through acquisitions of operating properties and development of new properties could be limited if the Group was unable to obtain debt or issue Shares.

In addition, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT rules and the effect of any potential debt amortisation payments could require the Group to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings.

As a result of these factors, the constraints of maintaining REIT status could limit the Group's flexibility to make investments.

The Group's status as a REIT may restrict the Company's distribution opportunities to Shareholders

A REIT may become subject to an additional tax charge if it makes a distribution to, or in respect of, a Substantial Shareholder, that is broadly a company which has rights to 10 per cent. or more of the distributions or Shares or controls at least 10 per cent. of the voting rights. This additional tax charge will not be incurred if the Company has taken reasonable steps to avoid paying distributions to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where distributions may become payable to a Substantial Shareholder and these provisions are summarised at paragraph 4.3 of Part 7 of this Registration Document. These provisions provide the Directors with powers to identify Substantial Shareholders and to prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met. The Articles also allow the Directors to require the disposal of Shares forming part of a Substantial Shareholding in certain circumstances where the Substantial Shareholder has failed to comply with the above provisions.

The granting of full-scope authorisation under the AIFM Directive will impose various obligations on the Company in its capacity as its own AIFM

The AIFM Directive, which was to be transposed by EEA member states into national law on 22 July 2013, imposes a regime for EEA managers of AIFs and in respect of marketing of AIFs in the EEA. The AIFM Directive has been transposed in to UK law by the AIFM Regulations.

Based on the provisions of the AIFM Directive and the AIFM Regulations, the Company is an AIF within the scope of the AIFM Directive and the AIFM Regulations. The Company currently operates as an internally managed AIF and is consequently its own AIFM. On 19 March 2014, the Company was granted registration by the FCA as a "small registered UK AIFM" pursuant to regulation 10(2) of the AIFM Regulations on the basis that it is a small internally managed AIF. As a small registered UK AIFM, the Company is restricted from taking on Company level structural leverage for investment purposes and the Company does not have access to the AIFM Directive "passport" which would allow the Shares to be marketed to professional investors in other EEA member states. The "passport" is only available to full-scope AIFMs under the AIFM Directive. In addition,

the Company can only remain registered as a small registered UK AIFM whilst its assets under management (calculated pursuant to the AIFM Directive) are below €500 million.

The Company submitted in August 2014 an application to the FCA for a full-scope Part 4A permission under the AIFM Regulations and currently anticipates receiving full-scope authorisation within three to six months of submission.

If the Company does not obtain full-scope authorisation or cannot maintain its registration as a small registered UK AIFM (due for instance to its assets under management exceeding €500 million), the operation of the Company or the marketing of Shares to investors in the UK and other EEA member states may be prohibited or impaired. This may adversely impact the Company's ability to raise further capital and manage and/or add to the Property Portfolio in the future.

Once full-scope authorisation is obtained the Company will be required to comply with various organisational, operational and transparency obligations. In complying with these obligations the Company may be required to 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 AIFM Directive is likely to increase management and operating costs, in particular the regulatory and compliance costs, of the Company.

IMPORTANT INFORMATION

GENERAL

This Registration Document should be read in its entirety, along with the Summary and the Securities Note or any Future Summary and Future Securities Note, before making any application for Shares. In assessing an investment in the Company, investors should rely only on the information in this Registration Document (together with the Summary and the 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 Shares other than those contained in this Registration Document (together with the Summary and the 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.

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

Statements made in this Registration Document are based on the law and practice in force in England and Wales as at the date of this Registration Document and are subject to changes therein.

This Registration Document should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

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 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.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to the Share Issuance Programme to the public in that Relevant Member State prior to the publication of a prospectus in relation to the 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 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 Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any 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 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 Shares to be offered so as to enable an investor to decide to purchase or subscribe for the 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.

In addition, Shares will only be offered to the extent that the Company: (i) is permitted to be marketed into the relevant EEA jurisdiction pursuant to either Article 36 or 42 of the AIFM Directive (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

FOR THE ATTENTION OF RESIDENTS OF SWITZERLAND

Neither the Shares nor this Registration Document or any other offering material relating to the Company may be distributed in or from Switzerland. The Company is not authorized by or registered with the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”) under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). Therefore, investors do not benefit from protection under CISA or supervision by FINMA. Neither this Registration Document nor any other offering or marketing material relating to the Company constitutes a prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations or a prospectus pursuant to the CISA.

FORWARD-LOOKING STATEMENTS

This Registration Document contains forward looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this 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 is

based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules, the Disclosure and Transparency Rules and the Listing 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).

PRESENTATION OF FINANCIAL INFORMATION

The Company prepares its financial information under IFRS. 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.

FURTHER SHARE ISSUES

This Registration Document assumes that no further Shares will be issued after the date of this Registration Document and before the completion of the Initial Issue. This Registration Document is valid for a period of up to 12 months following its publication. The Company may issue up to 300 million additional Shares at any time within a period of up to 12 months from the date of this Registration Document in connection with the Share Issuance Programme (including the Initial Issue). The prospectus for any issuance of additional 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.

NO INCORPORATION OF WEBSITE INFORMATION

The Company's website address is www.espreit.co.uk. The contents of the Company's website do not form part of this Registration Document.

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	<p>Brenda Dean (The Rt Hon Baroness Dean of Thornton-le-Fylde) (<i>Chairman</i>) Paul Hadaway (<i>Chief Executive Officer</i>) Timothy Attlee (<i>Chief Investment Officer</i>) Michael Enright (<i>Chief Finance Officer</i>) Stephen Alston (<i>Non-Executive Director</i>) Jim Prower (<i>Non-Executive Director</i>) Alexandra Mackesy (<i>Non-Executive Director</i>)</p> <p>all of the registered office below:</p>
Registered Office	<p>6-8 James Street London W1U 1ED Tel: +44 (0)20 3772 2780 Website: www.espreit.co.uk</p>
Joint Financial Advisers	<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>
Sponsor, Sole Global Coordinator and Bookrunner	<p>Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ</p>
Legal Adviser to the Company	<p>Wragge Lawrence Graham & Co LLP 4 More London Riverside London SE1 2AU</p>
Legal Adviser to the Sponsor, Joint Financial Advisers and Sole Global Coordinator and Bookrunner	<p>Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ</p>
Administrator and Company Secretary	<p>IOMA Fund and Investment Management Limited 7 Cavendish Square London W1G 0PE</p>

Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ
Receiving Agent	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
Auditor and Reporting Accountant	BDO LLP 55 Baker Street London W1U 7EU
Valuer	CBRE Limited Henrietta House Henrietta Place London W1G 0NB

PART 1

INFORMATION ON THE COMPANY

Introduction

The Company is a closed-ended investment company incorporated in England and Wales and carries on business as a REIT, investing in the high end student residential accommodation sector. The Shares were admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market on 30 June 2014, raising gross proceeds of £85,000,000 through the issue of 85 million Shares at a price of 100 pence per Share.

The Company is an internally managed investment company. The Board as a whole is therefore responsible for the determination of the Company's investment objective and investment policy and has overall responsibility for the Company's activities. The Executive Directors undertake the management of the Company's investment activities on a day to day basis. In addition, the Company has engaged Revcap to provide certain investment support services to the Company in connection with the operation of its business.

The Executive Directors are experienced real estate professionals with a recognised track record in the development and management of high-end student residential accommodation. In addition to this sector specific real estate expertise, the Board as a whole combines individuals with extensive experience of acting as directors of premium listed companies and other real estate expertise.

As at 30 September 2014, the Company had invested, or allocated for investment, £82.82 million of the net proceeds raised pursuant to the IPO in 11 student accommodation investments, comprising a mix of operating properties and development and forward funded projects. As at 30 September 2014, the unaudited estimated Net Asset Value per Share was 99.8 pence, prior to adjustment for the first interim dividend declared today of 1.5 pence per Share. This compares to the unaudited Net Asset Value per Share immediately following the IPO of 98.0 pence and an audited Net Asset Value per Share of 98.3 pence as at 31 July 2014. As at 29 October 2014 (being the latest practicable date prior to the publication of this Registration Document), the Company has a market capitalisation of approximately £86.1 million.

On 24 October 2014, the Company's wholly-owned subsidiary Empiric Investments (One) Limited agreed a £35.5 million term loan facility with The Royal Bank of Scotland plc (acting as agent for National Westminster Bank Plc). The RBS Facility Agreement is secured against a number of the Group's operating properties. Amounts drawn down under the RBS Facility Agreement are segregated and are non-recourse to the Company. The amounts drawn down under the RBS Facility Agreement are available to the Group for investment into further property assets.

As at 29 October 2014 (being the latest practicable date prior to the publication of this Registration Document), the Company had drawn down £33.9 million under the RBS Facility Agreement of which £8.7 million has been committed for investment in a further two student accommodation investments. As at 29 October 2014, the independently appraised market value of the Property Portfolio was £86,152,000⁽¹⁾.

Further details of the RBS Facility Agreement are set out in paragraph 9.2 of Part 8 of this Registration Document.

(1) This valuation excludes the Willowbank development project and is based on the special assumption that Northgate House (Cardiff) has reached practical completion and is fully let at the date of valuation.

The Property Portfolio

As at the date of this Registration Document, the Property Portfolio consists of the following investments comprising a mix of operating properties and development and forward funded projects. Further details of the Property Portfolio are set out below and in Part 2 of this Registration Document.

Operating properties

<i>Name</i>	<i>Location</i>	<i>No. of Beds</i>	<i>Occupancy for 2014/2015</i>	<i>Date of acquisition</i>	<i>Title</i>	<i>Market value as at 29 Oct 2014 (£)</i>
College Green Picturehouse Apartments	Bristol	84	100%	July 2014	Leasehold ⁽¹⁾	10,130,000
Summit House	Exeter	102	97%	July 2014	Freehold	11,522,000
Edge Apartments	Cardiff	87	100%	July 2014	Freehold	9,610,000
The Brook	Selly Oak, Birmingham	77	100%	August 2014	Freehold	8,940,000
Centro Court	Selly Oak, Birmingham	106	100%	July 2014	Freehold	12,410,000
London Road	Aberdeen	56	100%	September 2014	Freehold	6,710,000
Talbot Studios	Southampton	46	100% ⁽²⁾	–	Freehold/ Leasehold	4,000,000
Alwyn Court	Nottingham	98	100%	September 2014	Freehold	8,500,000
Northgate House ⁽³⁾	Cardiff	51	100%	October 2014	Freehold	3,740,000
		67	–	–	Freehold	5,600,000
Total		774				81,162,000

(1) 150 year lease, started in August 2010.

(2) The Group has exchanged contracts to acquire London Road (Southampton). Completion of the acquisition will occur by 30 November 2014. The vendor has provided a 100 per cent. rental guarantee for the 2014/2015 academic year.

(3) The Group has exchanged contracts to acquire Northgate House parts of which are still currently under construction. Completion of the acquisition will take place on practical completion which is scheduled to occur in January 2015. The vendor has provided a 100 per cent. rental guarantee for the 2014/2015 academic year in respect of the parts of the property which are not currently let. The market value is based on the special assumption that Northgate House has reached practical completion and is fully let at the date of valuation.

The average unaudited net initial yield of the operating properties as at 30 September 2014 was 6.7 per cent. Rental growth in the operating properties is an average of approximately 3.0 per cent., comparing 2014/2015 with 2013/2014.

The gross annual rent for the operating properties owned by the Group as at 30 September 2014 was £6.1 million.

Development and forward funded projects

The Group has entered into the following development and forward funded projects:

Name	Location	Proposed no. of beds	Date of acquisition	Total investment to completion (£ million)	Estimated completion date	Market value as at 29 Oct 2014 ⁽¹⁾ (£)
<i>Forward funded projects</i>						
Buccleuch Street	Edinburgh	86	July 2014	8.5	May 2016	3,190,000
<i>Development projects</i>						
Brunswick House	Southampton	173	July 2014	6.9 ⁽³⁾	September 2015	1,800,000 ⁽²⁾
Willowbank ⁽⁴⁾	Glasgow	178	—	6.7 ⁽³⁾	September 2016	—

(1) Value based on progress of the development of the asset to 29 October 2014.

(2) This figure represents the value of the Group's 50 per cent. joint venture interest in the property.

(3) The total investment to completion figure excludes Revcap's contribution.

(4) LCPP, acting on behalf of Empiric (Glasgow) Limited, has concluded missives (equivalent to exchange of contracts under English law) with Glasgow City Council in relation to the acquisition of Willowbank. Completion of the acquisition of Willowbank will be subject to receipt of planning approval and listed building consent to redevelop the building into direct-let premium student accommodation. LCPP is a company controlled by Timothy Attlee and Paul Hadaway, Executive Directors of the Company. It has been agreed that Willowbank will be transferred from LCPP to Empiric (Glasgow) Limited shortly after completion of the purchase. LCPP will receive no economic benefit from its role in the transaction. Due to the current status of Willowbank, it has not been valued for the purposes of the Valuation Report.

The Company is predominantly focused on investing in built and operating properties or those properties close to practical completion (i.e. within 12 months of operation). However, up to 15 per cent. of the Net Asset Value of the Company (measured at the commencement of the project) may be deployed in development and forward funded projects.

In respect of a development project, the Company will generally identify a potential development site and, relying on the track record and experience of the Executive Directors, assess whether it would be an appropriate investment proposition, such assessment to include the specific supply and demand dynamics of the relevant university city, the location, adherence to the investment objective and investment policy, the proposed return on investment and the anticipated timing and delivery of the completed property.

Any potential development site would only be acquired subject to the receipt of planning permission. Although incidental expenditure may be incurred initially prior to acquisition (for example in relation to the preparation of architectural plans and proposed specifications), the site is only acquired on the granting of planning permission, which in turn mitigates the risk to the Company of the planning process.

Once the site has the benefit of planning permission and is acquired by the Group, the full design and project management process is put in place, including the financing package. The relevant contractors and sub-contractors will be identified, invited to pitch for the project and then selected. The Company will then supervise the entire development and construction process. Contractors will be selected based on key criteria, such as their skill sets and track record, being of appropriate size, with appropriate experience, and with the relevant insurance package. Risks to the Company are intended to be mitigated by appointing contractors of sufficient financial strength on a fixed contract, by fitting out developments with a standard kit of parts (an approach developed over several years across a number of separate developments), and by spreading development exposure across several different projects, as well as utilising the expertise and experience of Revcap. Development risk is intended to be further mitigated by agreeing an appropriate payment schedule, whereby the contractor only receives the minimum funding to meet the next development milestone. Further, the contractor will only receive its profit after completion of the project and following relevant surveys. A development project will typically take 12-24 months to complete, from identification of the site to practical completion.

The Company has entered into the Revcap Development Framework Agreement which sets out a framework under which the Company and Revcap will cooperate through a joint venture to identify, acquire (subject to planning), secure planning and develop suitable properties and sites that can be developed or converted into prime student residential accommodation across Russell Group (or similar quality) university cities and towns.

Each development project undertaken via this arrangement will be acquired via a separate joint venture company and will be owned 50/50 between the Company and an affiliated Revcap company. Both the Company and Revcap will each commit up to a maximum total of £15 million in capital to all such joint venture projects. Such capital will be drawn down from the Company and Revcap, in equal proportion, into development joint ventures as required.

The Directors anticipate that the joint venture framework with Revcap will benefit the Company by providing the potential for a more diversified portfolio of development projects than would be the case if the equity component of each project was funded by the Company alone.

In connection with each joint venture development with Revcap, Empiric Developments will enter into an asset management agreement pursuant to which Empiric Developments will be responsible for the day-to-day project management of each joint venture development. During the construction period, Empiric Developments will receive an asset management fee equal to 3.5 per cent. of the pre-agreed construction cost, payable quarterly. In this role, Empiric Developments will, amongst other things, be responsible for sourcing investments; business plan implementation; advising on planning matters and managing the planning process; short listing, selection and appointment of third party contractors, architects, engineers and other service providers; contract procurement, construction and development management; managing the construction process and managing the unit leasing and marketing process.

Revcap, as joint venture funding partner alongside the Company, will have monitoring and control rights under the terms of the applicable joint venture agreement that are typical for funding partners in development transactions, including acquisition and disposal decisions; final approval of building contractors; approval of major expenditure items and approval of senior debt terms.

Empiric Developments will also receive an incentive profit share from each joint venture development, based on the IRR achieved. Distributions relating to a joint venture project will be distributed in the following order of priority: (i) first, *pari passu* between the joint venture parties until each has received an IRR of 20 per cent. on invested capital, and (ii) second 20 per cent. to Empiric Developments and 80 per cent. *pari passu* between the Company and Revcap.

The Company will have a right to procure repayment by a joint venture company of the Revcap shareholder loan and to purchase Revcap's interest in each joint venture company at a valuation provided by an independent expert and, if this right is exercised, the IRR incentive profit share (if any) due to the Company (as described above) will be reflected in an adjustment to the amount due on repayment of the Revcap shareholder loan. This right of first refusal is expected to provide a flow of future investment opportunities for the Company.

A forward funded project is very similar to direct development. The Company still acquires the site directly (conditional to receiving planning permission), and still funds the project in stages, but the actual development work is undertaken by a third party developer which will have identified the site prior to the Company's involvement, arranged all the planning applications and organised and managed the various building contractors. The required development financing will be paid pursuant to an agreed schedule during the development phase of the project, usually with a bullet balancing payment to the developer paid at completion when the Group takes possession of the completed asset for no further consideration. In the development phase, forward funded projects typically generate a coupon (or interest payment) for the funder of approximately 7-8 per cent. per annum, which is calculated by reference to the staged payments made to the third party developer, and is paid by the third party developer in cash or alternatively rolled up into the overall contract

price. Under a forward funded arrangement, the risk of cost overruns rests with the third party developer.

Such development and forward funded projects are expected to enable the Company to benefit from capital appreciation of its limited investment in development assets, which typically see significant uplifts in market value as the projects progress. The Company should benefit both from this capital appreciation, and also from the flow of standing asset investment opportunities that such activities may bring.

The Company will target a minimum IRR for development and forward funded projects of 40 per cent.

Pipeline investments

In addition to the recent exchange of contracts in relation to Alywn Court (Cardiff) and Northgate House (Cardiff), the Company is in final stage negotiations on two forward funded assets and one standing operating property. These assets comprise an aggregate of 337 beds representing a total commitment of approximately £28.85 million. Subject to the satisfactory completion of negotiations, all of these assets are expected to be acquired by December 2014 and will be funded principally by the RBS Loan.

The Company is also in the advanced stages of negotiation in relation to a near-term pipeline comprising 15 properties across multiple locations in the UK with an aggregate of more than 1,800 beds representing a total commitment of approximately £180 million. This comprises a mix of operating properties and forward funded and development projects with a similar return profile to the current Property Portfolio. Subject to the satisfactory completion of negotiations and available financing, the Company believes that all of the properties would be able to be acquired by the Group over the next several months, and by no later than the end of March 2015. It is anticipated that any commitments made to such pipeline assets will be financed by equity proceeds raised under the Share Issuance Programme, additional debt (whether pursuant to the RBS Loan or otherwise) or a combination of these.

Future pipeline

Beyond the identified pipeline described above, the Company has a further pipeline of assets under consideration at earlier stages of due diligence and negotiation representing an additional potential commitment of approximately £400 – 600 million.

The Company's pipeline opportunities are sourced from owner-operators, developers, agents, proprietary contacts and local knowledge. Revcap provides a further source of pipeline opportunities.

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.

Track record of the Executive Directors

As the principals of LCPP, the Executive Directors developed c.£100 million worth of properties from 2001. LCPP focused on the student accommodation sector from 2009, and worked with Revcap (and its affiliated companies) as its joint venture partner from early 2010. Under this joint venture arrangement LCPP and Revcap (and its affiliated companies) developed five student accommodation properties: College Green (Bristol); Picturehouse Apartments (Exeter); Summit House (Cardiff); Edge Apartments (Birmingham); and Gateway (Edinburgh). In each case, LCPP undertook the development role, including the functions the Group undertakes pursuant to the Company's joint venture arrangements with Revcap, and where the Group pursues forward funded

or other development projects. This prior track record of undertaking successful development projects is a competitive strength of the Company.

College Green (Bristol); Picturehouse Apartments (Exeter); Summit House (Cardiff); and Edge Apartments (Birmingham) have been acquired by the Group and form part of the Property Portfolio, further details of which are set out in Part 2 of this Registration Document.

In addition, LCPP acted as development manager to the British Airways Pension Fund, the funders of the development of Pennine House (Leeds). This is a 40,000 sq ft office building which has been converted into student accommodation. LCPP does not have an ownership interest in this project.

The Executive Directors have a track record of delivering development profits. This is highlighted by the returns from the various student developments they have undertaken to date, most of which comprise assets now in the Property Portfolio. The development projects in Bristol, Cardiff, Exeter and Birmingham, as well as in relation to the development in Edinburgh which has been sold, achieved the following returns:

- an average equity IRR of 50 per cent. (with a range of 26 – 73 per cent.);
- an average project IRR of 35 per cent. (with a range of 22 – 50 per cent.); and
- an average project yield on cost of 9.6 per cent. (with a range of 8.5 – 10.4 per cent.).

It should be noted that the IRRs at the lower end of the range spectrum represent two projects which suffered delays and cost overruns due to the failure of the main contractor, but which nevertheless still returned total project IRRs in excess of c.22 per cent.

The above IRRs are calculated by reference to the whole equity invested in the relevant project, without any benefit from the developer's incentive profit share. The Executive Directors are targeting an IRR of 40 per cent. for development projects undertaken by the Company, after taking account of the incentive profit share structure that the Company expects to benefit from.

Returns on College Green (Bristol), Summit House (Cardiff), Picturehouse Apartments (Exeter) and Edge Apartments (Birmingham) are calculated using actual development costs and calculated for an exit at practical completion based on the agreed sale price to the Group. Gateway Apartments (Edinburgh) uses the actual development costs and the actual sale price. Equity IRR includes financing costs. Project IRR and project yield excludes financing cost. Project yield on cost excludes financing cost.

Included in the above statistics is Gateway (Edinburgh) which was disposed of in December 2013 following an unsolicited approach from an international institutional buyer prior to practical completion. The sale was agreed at c.£16 million, compared to a total cost of acquisition and development of c.£11.1 million. The purchase price represented a c.6.5 per cent. net initial yield for the buyer. This price represented a c.73 per cent. IRR on equity and a 2.5x equity multiple on exit. Gateway (Edinburgh) was also the winner of the Residential Property category at the RICS Scotland awards 2014.

Investment objective

The investment objective of the Company is to provide Shareholders with regular, sustainable and growing long-term dividends (which it will seek to grow at least in line with the RPI inflation index) together with the potential for capital appreciation over the medium to long term.

Investment policy

The Company intends to meet its investment objective through acquiring, owning, leasing and developing high quality student residential accommodation in the UK let on direct tenancy

agreements to tenants enrolled with Higher Education Institutions (“HEIs”). The Company will invest in modern, high-end, student accommodation assets with a focus on quality, and generally located in prime city centre locations in top university cities and towns. The Company is focused on investing in, and developing, high quality self-contained residential accommodation in locations where the Executive Directors believe attractive opportunities exist for the Company to exploit demand for student residential accommodation at the higher end of the quality scale. To deliver the high quality and high-end experience, the individual sizes of the assets are generally expected to be between 50 to 200 beds. In addition, each property will generally have:

- studios and 1 – 3 bedroom apartments;
- generous space per student bed;
- all rooms with en-suite bathroom and kitchen facilities; and
- communal facilities to typically include: a cinema room, study rooms, a gym and break-out areas.

The Company anticipates that rental income will predominantly be generated from direct leases and/or licences to students (with the rent being inclusive of wifi/internet, all utilities, and access to on-site amenities). The Company also anticipates benefiting in some cases from ancillary commercial lease opportunities within student accommodation properties, including (but not limited to) retail outlets and mobile telephone transmission apparatus. The Company may in due course derive rental income from agreements with students that are guaranteed by HEIs or directly with HEIs. The Company may enter into soft nominations agreements (being marketing arrangements with HEIs to place their students in private accommodation). The Company will target upper quartile rental values, primarily servicing postgraduate and international students.

The Group may acquire assets through acquisitions of the underlying property or through the acquisition of the subsidiary companies or other investment vehicles through which such properties are owned. The Company may opportunistically acquire portfolios of student accommodation properties. Following such a transaction, individual properties within such a portfolio, which do not meet the Group’s required standards or which cannot be cost effectively refurbished, may be sold.

The Company also intends to undertake limited development of new buildings or conversion of existing properties for student accommodation and related services pursuant to the terms of the joint venture arrangement between the Company and Revcap, with other development partners or solely, without a third party partner. Save for such development assets that may be held by the Group in 50/50 joint venture companies during the development phase of such projects, the Group intends to have sole ownership of all investments. The Group intends to buy out its joint venture partners at or soon after practical completion.

The Company will also focus on the acquisition of properties where the student accommodation units benefit from “Multiple Dwelling Relief”, reducing SDLT on the value of such student accommodation units from 4 per cent. to 1 per cent.

The Board intends to hold the Group’s investments on a long term basis. The Group, however, may dispose of investments outside of this time frame, should an appropriate opportunity arise where, in the Board’s opinion, the value that could be realised from such a disposal would represent a satisfactory return on the initial investment and/or otherwise enhance the value of the Group, taken as a whole. There is no limit on the number of investments which the Group may dispose of from the portfolio (subject always to maintaining compliance with the investment restrictions that form part of the investment policy).

Investment restrictions

The Company will invest and manage its assets with the objective of spreading risk through the following investment restrictions:

- the Company will generate its rental income from a portfolio of not less than five separate buildings (such minimum to exclude development projects, and to count two or more buildings in close proximity or on the same campus as a single building);
- the value of no single asset at the time of investment will represent more than 20 per cent. of the Gross Asset Value;
- at least 90 per cent. by value of the properties directly or indirectly owned by the Company shall be in the form of freehold or long leasehold properties (with over 100 years remaining at the time of acquisition) or the equivalent;
- the Company may commit up to a maximum of 15 per cent. of its Net Asset Value (measured at the commencement of the project) to expenditure in relation to development or forward funded projects (including conversion of buildings to student accommodation). All development and forward funded projects will be conducted in special purpose vehicles with no recourse to the other assets of the Group. This restriction will be calculated by reference to the equity requirement of all such projects in progress (i.e. up to practical completion) at the time of commitment, to include expenditure already made in such projects and the remaining budgeted expenditure (the “**Development Limit**”). For the purposes of the Development Limit, “equity requirement” shall mean the amount of equity or shareholder loans contributed and/or committed by the Company or any other Group entity to the relevant special purpose vehicle and shall exclude other sources of funds obtained by such special purpose vehicle;
- the calculation of the Development Limit shall exclude from the numerator the acquisition cost of the relevant undeveloped land or property in use, or to be used, for development or forward funded projects, which shall be subject to a separate limit of 10 per cent. of Net Asset Value (measured at the time of investment);
- for the avoidance of doubt, the calculation of the Development Limit shall also exclude from the numerator all investment and expenditure on the renovation, restoration, fit-out, internal reconfiguration, maintenance and engineering works and general up-keep of any existing and new student accommodation investments by the Group;
- rent from ancillary commercial leases will be limited to 25 per cent. of total rent receipts of any single building and to 15 per cent. of the Group’s total rent receipts;
- in each case where investment is via a joint venture arrangement, the relevant restriction will be calculated by reference to the Company’s share of the relevant joint venture; and
- the Company will not invest in other closed-ended investment companies.

The Company will also seek to spread risk by seeking to achieve a diversified exposure to individual cities, towns and HEIs, though no quantitative limits are in place, due to the widely various demographics prevailing in different locations.

The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will not, at any time, conduct any trading activity which is significant in the context of the business of the Company as a whole.

The Directors currently intend, at all times, to conduct the affairs of the Group so as to enable it to qualify 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 investment restrictions set out above, the Directors, upon becoming aware of such breach, will consider whether the breach is material, and if it is, notification will be made through a Regulatory Information Service.

Borrowing policy

Conditional on full-scope AIFM Directive authorisation being obtained (as set out below under “Regulatory status of the Company and the Shares”) the Board expects to use Company level structural leverage for investment purposes to enhance equity returns.

On 24 October 2014, the Company’s wholly-owned subsidiary Empiric Investments (One) Limited agreed a £35.5 million term loan facility with The Royal Bank of Scotland plc (acting as agent for National Westminster Bank Plc). The RBS Facility Agreement is secured against a number of the Group’s standing operating properties. The amounts drawn down under the RBS Facility Agreement are segregated and are non-recourse to the Company, and do not have the effect of increasing the Company’s financial exposure to Empiric Investments (One) Limited or the standing operating assets of which it is the holding company. As a consequence, the amounts drawn down under the RBS Facility Agreement are not considered to be leverage attributable to the Company for the purposes of the AIFM Directive.

In addition, development assets that are held by the Group in 50/50 joint venture companies during the development phase are not subject to the leverage restrictions arising from the AIFM Directive, and external development debt has currently been entered into in relation to the development of Brunswick House (Southampton).

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. If gearing is employed, the Company will maintain a conservative level of aggregate borrowings typically of 35 per cent. but no more than 40 per cent. of the Gross Asset Value (calculated at the time of draw down) and will comply with the REIT condition relating to the ratio between the Company’s ‘property profits’ and ‘property finance costs’ (in this regard, a tax charge will arise if, in respect of any accounting period, the ratio of the Group’s income profits (before capital allowances) in respect of its Property Rental Business to the financing costs incurred in respect of the Property Rental Business is less than 1.25).

Borrowings employed by the Group may either be secured on individual assets without recourse to the Company or by a charge over some or all of the Company’s assets to take advantage of potentially preferential terms. Development loans, however, will only be secured at the individual asset level, without recourse to the Group’s other assets or revenues.

The Company may engage in interest rate hedging in respect of borrowings, or otherwise seek to mitigate the risk of interest rate increases, for efficient portfolio management purposes only.

The borrowing limits set out above will be inclusive of the Company’s pro-rata share of development loans incurred in relation to joint venture development projects. Intra-group debt between the Company and subsidiaries will not be included in the definition of borrowings for these purposes.

The restrictions in the investment policy and investment restrictions will apply on a look-through basis irrespective of how an investment is held. No material change will be made to the investment policy and investment restrictions without the approval of the Shareholders by ordinary resolution.

Further details of the REIT conditions are set out at paragraph 2.2 of Part 7 of this Registration Document.

Dividend policy and target returns

The Company intends to pay dividends on a quarterly basis with dividends declared in February, May, August and November in each year and paid within one month of being declared.

On the basis of the Principal Bases and Assumptions set out in paragraph 13 of Part 8 of this Registration Document, the Company expects to pay dividends of 2 pence per Share in respect of the period from Admission to 31 December 2014. In this regard the Company has today declared the first interim dividend of 1.5 pence per Share in relation to the period and expects the balance of the 2 pence per Share to be paid following the period end.

The Company expects to pay dividends of at least 2.0 pence per Share for the first six months of 2015 and will target an annual dividend of 6 pence per Share for the financial year commencing 1 July 2015. Thereafter dividends are expected to grow by not less than inflation.

For the avoidance of doubt, Shares issued pursuant to the Initial Issue will not rank for the first interim dividend.

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

The Company will also target an additional 7.0 per cent. average annual growth in NAV (based on the issue price at IPO), to be delivered both from its development activities and through standing asset value growth resulting from potential rental increases. Together this would represent a total target annualised Shareholder return of 13 per cent. per annum (based on the issue price at IPO) following full investment of the net proceeds of the Share Issuance Programme.

Investors should note that the figures in relation to dividends, total shareholder return and targeted annual growth in NAV set out above and elsewhere in this Registration Document are for illustrative purposes only and are not intended to be, and should not be taken as, a profit forecast or estimate. They have been calculated using the Principal Bases and Assumptions shown in paragraph 13 of Part 8 of this Registration Document. Actual returns cannot be predicted and may differ materially from these illustrative figures. There can be no assurance that they will be met or that any dividend or NAV growth will be achieved.

Revcap investment support arrangements

Under the Investment Support Agreement the Company has engaged Revcap to provide certain investment support services to the Company. Through the agreement, the Executive Directors will have access to the advice and experience of the senior management team of Revcap.

Founded in 2004, Real Estate Venture Capital Management LLP (of which Revcap is an affiliate) is a European investor that targets small and medium sized real estate co-investment opportunities. Headquartered in London, with offices in Paris, Frankfurt and Stockholm, Real Estate Venture Capital Management LLP has a team of over 25 focused on generating superior risk adjusted returns. Real Estate Venture Capital Management LLP co-invests in joint ventures with proven local operating partners. The firm has an established network of more than 90 existing joint venture partners and has transacted across the UK and Europe in over 200 individual investments. Real Estate Venture Capital Management LLP has made investments in European real estate, including commercial, residential, data centres, advertising hoardings and student accommodation valued in excess of £2.5 billion.

Further details of the Investment Support Agreement are set out in paragraph 9.7 of Part 8 of this Registration Document.

Facilities and lettings management

The Company is responsible for the facilities and lettings management of all properties in the portfolio. To facilitate its administrative and resource requirements, the Group will engage professional external facilities and lettings managers. As at the date of this Registration Document, the Group has engaged the services of four facilities and lettings managers, Collegiate AC, Aberdeen Property Leasing Ltd, Corporate Residential Management Ltd and Tenant Direct Ltd, in relation to various properties in the Property Portfolio. The Company anticipates that further external facilities and lettings managers will be engaged in relation to future properties acquired by the Group.

Under these arrangements, the facilities and lettings managers engaged by the Group will generally undertake property and facilities management services in relation to the relevant student units including collaborating with the Company in relation to the marketing and letting of the units in each property, rent collection and credit control services, payment of agreed capital expenditure (at the request of the Group), preparation of operating budgets for approval, overseeing building maintenance, maintenance of tenancy records, acting as tenant liaison and provision to the Company of agreed management reports and performance measures for the properties. These services are provided by the relevant facilities and lettings managers under the supervision of the Company.

Students pay for their accommodation termly in advance if they are UK residents or have a UK guarantor. If they are overseas students, without a UK guarantor, then students pay for their entire year in advance. The majority of the tenancies are for 51 weeks, although student accommodation in Edinburgh often has 44 week tenancies with extra income derived from lettings during the festival period.

Prices for rooms in student property developments are typically determined towards the end of a calendar year, with bookings taken throughout the months preceding the start of the academic year in September.

The Group is responsible for the marketing and letting of any commercial units forming part of its properties although, in certain cases the external facilities and lettings managers may be engaged to provide a general oversight and rental collection service for commercial units.

Valuation policy

The Directors intend to use CBRE, or another professional independent valuer of equivalent standing, as property valuer to the Company. Full valuations of the Company's properties will be conducted semi-annually as at 30 June and 31 December in each year. The valuations of the Group's properties will be at fair value as determined by CBRE on the basis of market value in accordance with the internationally accepted RICS Appraisal and Valuation Standards. CBRE has produced the Valuation Report in relation to the Property Portfolio as at 29 October 2014 which is set out at Part 6 of this Registration Document.

Details of each semi-annual valuation, and of any suspension in the making of such valuations, will be announced by the Company via a Regulatory Information Service announcement as soon as practicable after the relevant valuation date.

Calculation of Net Asset Value

The Net Asset Value (and Net Asset Value per Share) will be calculated quarterly by the Company (and reviewed by the Administrator). Calculations will be made in accordance with IFRS. Details of each quarterly valuation, and of any suspension in the making of such valuations, will be announced by the Company via a Regulatory Information Service announcement as soon as practicable after the end of the relevant quarter. The quarterly valuations of the Net Asset Value (and Net Asset Value per Share) will be calculated on the basis of the most recent semi-annual valuation of the Property Portfolio.

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 systems failure of the Company) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced via a Regulatory Information Service announcement as soon as practicable after any such suspension occurs.

Meetings, reports and accounts

The audited accounts of the Company will be prepared in Sterling under IFRS. The Company's annual report and accounts will be prepared up to 30 June each year, with the first accounting period of the Company ending on 30 June 2015. It is expected that copies of the report and accounts will be sent to Shareholders by the end of October each year. Shareholders will also receive an unaudited half-yearly report covering the six months to 31 December each year, which is expected to be dispatched within the following two months. The first financial report and accounts that Shareholders will receive will be the half yearly report for the period ending on 31 December 2014 (covering the period from incorporation of the Company).

The Company intends to hold its first annual general meeting before 31 December 2015 and will hold an annual general meeting each year thereafter.

Share premium and discount management

The Board has the discretion to seek to manage, on an ongoing basis, the premium or discount at which the Shares may trade to their Net Asset Value through further issues and buy-backs, as appropriate. In addition, where the Group disposes of an investment, where the net disposal proceeds are not reinvested or committed within 12 months such proceeds will be distributed to Shareholders, subject to the Group's working capital requirements and the requirements of the Companies Act.

Share buy-backs

The Directors will consider repurchasing 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 Shares. Following the IPO, the Company applied to the Court to cancel the share premium account arising from the Shares issued pursuant to the IPO so as to create a new special reserve which may be treated as distributable profits and, amongst other things, out of which share buy-backs may be funded.

In connection with the IPO, a special resolution was passed granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued share capital immediately following the IPO during the period expiring on the conclusion of the earlier of the Company's first annual general meeting and 31 December 2015. Renewal of this buy-back authority will be sought at each annual general meeting of the Company.

The Directors will have regard to the Group'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 Share and otherwise in accordance with guidelines established from time to time by the Board. Purchases of Shares may be made only in accordance with the Companies Act, the Disclosure and Transparency Rules and the Listing Rules. Under the Listing Rules, the maximum price that may be paid by the Company on the repurchase of any Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the 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 2273/2003). The minimum price will not be below the nominal value of one penny in respect of the Shares.

Shareholders should note that the purchase of 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.

Further issues of 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 or sell Shares out of treasury, at such times and generally on such terms and conditions as the Board may decide, provided that, for as long as any Shares are listed on the Official List, no new Shares may be issued at a price per Ordinary Share which is less than the Net Asset Value per Share at the time of such issue unless authorised by an ordinary resolution of Shareholders or such new Shares are first offered on a pro rata basis to Shareholders. The Company will endeavour to give priority to applications from existing Shareholders who subscribe for new Shares in a future placing or offer (if any).

Investors should note that the issuance of new Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Shares that may be issued.

Treasury Shares

Any 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 Shares from treasury at prices at or above the prevailing Net Asset Value per Share (plus costs of the relevant sale). This should result in a positive overall effect for Shareholders if Shares are bought back at a discount and then sold at a price at or above the Net Asset Value per Share (plus costs of the relevant sale).

Continuation vote

The Company has been established with an indefinite life. At the annual general meeting of the Company to be held in 2017, under the requirements of the Articles, the Board will propose an ordinary resolution that the Company continue its business as presently constituted. If this resolution is not passed, the Board will formulate proposals to be put to Shareholders to reorganise, restructure or wind-up the Company and to present such proposals to Shareholders

within 60 days of the date of the annual general meeting at which the continuation resolution was proposed.

REIT status and taxation

The Company, as the principal company of the Group, gave notice to HMRC (in accordance with Section 523 CTA 2010) that the Group had become a REIT on 1 July 2014. As a REIT, it complies with certain ongoing regulations and conditions (including minimum distribution requirements). Potential investors are referred to Part 7 of this Registration Document for details of the REIT regime and the taxation of the Group in the UK.

Regulatory status of the Company and the Shares

On 19 March 2014, the Company was granted registration by the FCA as a “small registered UK AIFM” pursuant to regulation 10(2) of the AIFM Regulations on the basis that it is a small internally managed AIF. Accordingly, whilst it holds this registration, the Company will not be subject in the UK, *inter alia*, to the marketing restrictions placed on AIFs and AIFMs under the AIFM Regulations. One of the qualifying criteria for registration as a “small registered UK AIFM” for an AIF with more than €100 million of assets under management is that it must be unleveraged as determined for the purposes of the AIFM Directive.

The Company, as its own AIFM, submitted an application to the FCA in August 2014 for a full-scope Part 4A permission under the AIFM Regulations in order, amongst other things, to have the ability to take on Company level structural leverage for investment purposes. The Company currently anticipates obtaining full-scope authorisation within three to six months of submission. For the avoidance of doubt, the implementation of the Company’s investment policy is not dependent upon Company level structural leverage being taken on or full-scope authorisation being obtained.

As noted above under “Borrowing Policy” the amounts drawn down under the RBS Facility Agreement by Empiric Investments (One) Limited are not considered to be leverage attributable to the Company for the purposes of the AIFM Directive. In addition, development assets that are held by the Group in 50/50 joint venture companies during the development phase are not subject to the leverage restrictions arising from the AIFM Directive.

As a REIT, the Shares are “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments.

Typical investors

An investment in the 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.

PART 2

THE PROPERTY PORTFOLIO

INTRODUCTION

As at the date of this Registration Document, the Property Portfolio comprises the following investments, comprising a mix of operating properties and development and forward funded projects. The figures contained in this Part 2 of the Registration Document are unaudited.

Operating properties

College Green (Bristol)

Title	Long leasehold (146 years unexpired)
Acquisition price	£9.97 million
Valuation as at 29 October 2014	£10.13 million
Weeks let per year	51
Rent range for the 2014/15 academic year	£140 to £199 per bed per week
Ratio of student rental income to commercial rental income	85:15 (projected for 2014/15 academic year)
Net initial yield	6.70 per cent.

Developed by LCPP and in operation since the commencement of the 2011 academic year, College Green (Bristol) is an office conversion consisting of bespoke student accommodation, comprising 84 beds arranged in both individual studios and two bedroom apartment configurations, and is 100 per cent. let for the 2014/2015 academic year. The property includes a gym, cinema room, games rooms and work rooms for the use of the student residents. The property also includes a retail outlet (a small Morrisons supermarket) on the ground floor which is let on a 15 year lease together with other retail/coffee shop units. The property is in a prime location 10 minutes' walk from the University of Bristol campus, and walking distance to Cabot Circus and the mainline railway station.

Picturehouse Apartments (Exeter)

Title	Freehold
Acquisition price	£11.41 million
Valuation as at 29 October 2014	£11.52 million
Weeks let per year	51
Rent range for the 2014/15 academic year	£109 to £194 per bed per week
Ratio of student rental income to commercial rental income	94:6 (projected for 2014/15 academic year)
Net initial yield	6.30 per cent.

In operation since the commencement of the 2013 academic year (and formally completed in April 2014), Picturehouse Apartments (Exeter) is a purpose-built student accommodation property, comprising 102 beds arranged in both individual studios and two bedroom apartment configurations, and is 97 per cent. let for the 2014/2015 academic year. The property includes a

gym, cinema room, games rooms and work rooms for the use of the student residents. The property also comprises a retail outlet (a small Tesco supermarket) on the ground floor let on a 20 year lease. The property is located only 10 minutes walk from the University of Exeter and close to the city centre and mainline railway station.

Summit House (Cardiff)

Title	Freehold
Acquisition price	£9.58 million
Valuation as at 29 October 2014	£9.61 million
Weeks let per year	51
Rent range for the 2014/15 academic year	£163 to £189 per bed per week
Ratio of student rental income to commercial rental income	95:5 (projected for 2014/15 academic year)
Net initial yield	6.40 per cent.

Developed by LCPP and in operation since the commencement of the 2013 academic year, Summit House (Cardiff) is an office conversion consisting of bespoke student accommodation, comprising 87 beds arranged in both individual studios and two bedroom apartment configurations, and is 100 per cent. let for the 2014/2015 academic year. The property includes a gym, cinema room and work rooms for the use of the student residents. The property also benefits from rental income from an antennae lease of roof space and a separate coffee shop on the ground floor. The property is located only 5 minutes walk from the Cardiff University campus and close to the city centre and mainline railway station.

Edge Apartments (Birmingham)

Title	Freehold
Acquisition price	£8.94 million
Valuation as at 29 October 2014	£8.94 million
Weeks let per year	51
Rent range for the 2014/15 academic year	£145 to £195 per bed per week
Ratio of student rental income to commercial rental income	88:12 (projected for 2014/15 academic year)
Net initial yield	7.00 per cent.

Developed by LCPP and completed in August 2014, Edge Apartments (Birmingham) is a purpose-built student accommodation property, comprising 77 beds arranged in both individual studios and two bedroom apartment configurations and is 100 per cent. let for the 2014/2015 academic year. The property includes a gym, cinema room, games rooms and work rooms for the use of the student residents. The property also benefit from rental income from a Sainsbury's store (which is let on a 15 year lease) and a coffee shop on the ground floor. The property is in a prime location opposite the main University of Birmingham campus in Selly Oak.

The Brook (Birmingham)

Title	Freehold
Acquisition price	£12 million
Valuation as at 29 October 2014	£12.41 million
Weeks let per year	51
Rent range for the 2014/15 academic year	£182 to £205 per bed per week
Net initial yield	6.50 per cent.

The Brook (Birmingham) was acquired by the Group in July 2014 from a subsidiary of The Mansion Group. The property comprises 106 studio beds. The property includes secure parking and bike storage facilities, communal kitchen and laundry areas. The property, on Bristol Road, Selly Oak, is located within 5 minutes' walk from the University of Birmingham and is adjacent to the Group's Edge Apartments property. The property is 100 per cent. let for the 2014/15 academic year. Both properties will be managed together bringing cost savings from the joint operation.

Centro Court (Aberdeen)

Title	Freehold
Acquisition price	£6.5 million
Valuation as at 29 October 2014	£6.71 million
Weeks let per year	51
Rent range for the 2014/15 academic year	£180 to £233 per bed per week
Net initial yield	6.80 per cent.

Centro Court (Aberdeen) was acquired by the Group in September 2014 and is a purpose-built student accommodation property comprising 56 self-contained studio apartments together with bike storage facilities, communal entertainment and laundry areas. The property, on Loch Street, Aberdeen is located close to Aberdeen College, within walking distance of Aberdeen University and a 10 to 15 minute bus ride from the main campus of Robert Gordon University. The property is also within easy reach of local amenities and transport links. The property is 100 per cent. let for the 2014/15 academic year.

London Road (Southampton)

Title	Freehold and leasehold
Acquisition price	£3.55 million (payable on completion)
Valuation as at 29 October 2014	£4.00 million
Weeks let per year	52
Rent range for the 2014/15 academic year	£128 to £175 per bed per week
Net initial yield	7.50 per cent.

The Group exchanged contracts in September 2014 to acquire a purpose-built student accommodation property on London Road, Southampton from Urban Creation, which developed phase 1 of the property (34 beds) in 2013 with phase 2 (12 beds) having been completed in

September 2014 in time for the 2014/15 academic year. Completion of the acquisition will occur by 30 November 2014. The property is located in central Southampton, close to Southampton Solent University and between the city centre and the University of Southampton. It comprises 46 beds arranged in predominantly self-contained studio apartments and a small number of two bed apartments. The property has bike storage facilities and a communal laundry area. The property is in close proximity to the Group's Brunswick House development and it is anticipated that both schemes will be paired, operationally, with students having access to the Brunswick House communal facilities and enabling the Group to share operational costs. As at the date of this Registration Document the property is 100 per cent. let for the 2014/2015 academic year taking into account a 100 per cent. rental guarantee for the academic year provided by the vendor.

Talbot Studios (Nottingham)

Title	Freehold
Acquisition price	£8.20 million
Valuation as at 29 October 2014	£8.50 million
Weeks let per year	51
Rent range for the 2014/15 academic year	£135 to £165 per bed per week
Net initial yield	6.90 per cent.

Talbot Studios (Nottingham) was acquired by the Group in September 2014. The scheme, which opened in 2012, comprises 98 self-contained studio apartments together with bike storage facilities and communal laundry area. The property, on Talbot Street, Nottingham, is located close to Nottingham Trent University's main campus (which includes Nottingham Law School) and is a short bus ride to Nottingham University's main University Park and Jubilee campuses. The property is also within easy reach of local amenities and transport links. The property is 100 per cent. let for the 2014/2015 academic year.

Alwyn Court (Cardiff)

Title	Freehold
Acquisition price	£3.5 million
Valuation as at 29 October 2014	£3.74 million
Weeks let per year	51
Rent range for the 2014/2015 academic year	£115 to £153 per bed per week
Net initial yield	7.00 per cent.

The Group exchanged contracts in October 2014 to acquire Alwyn Court, a purpose built student accommodation property on Salisbury Road in Cardiff. The property, which opened in 2012, comprises 51 beds arranged in both individual studios and apartment configurations with communal facilities. The property is 100 per cent. let for the 2014/15 academic year. The property is located within a five minute walk of Cardiff University and close to the Group's Summit House property and the Northgate House property on which the Group has also recently exchanged contracts. The Company anticipates being able to derive cost savings through the joint management of these properties.

Northgate House (Cardiff)

Title	Freehold
Acquisition price	£5.20 million (payable on completion)
Valuation as at 29 October 2014	£5.60 million ⁽¹⁾
Weeks let per year	51
Net initial yield	7.00 per cent.

The Group exchanged contracts in October 2014 to acquire Northgate House, a purpose built student accommodation property parts of which are still in late stages of construction on The Kingsway in Cardiff. The property, which is anticipated to be completed in January 2015, comprises 67 beds arranged in both individual studios and apartment configurations with communal facilities. The Group has received a 100 per cent. rental guarantee for the 2014/15 academic year from the vendor in respect of the parts of the property which are not currently let. The property is situated in a prime central Cardiff location within an easy walk of Cardiff University and close to the Group's Summit House property and the Alwyn Court property on which the Group has also recently exchanged contracts. The Company anticipates being able to derive cost savings through the joint management of these properties.

(1) The market value is based on the special assumption that Northgate House has reached practical completion and is fully let at the date of valuation.

Forward funded projects

Buccleuch Street (Edinburgh)

Title	Freehold
Proposed number of beds	86
Total consideration payable	£8.50 million
Valuation as at 29 October 2014 ⁽¹⁾	£3.19 million
Estimated completion date	May 2016
Estimated yield on cost	8.00 per cent.
Developer	Cruden Homes (East) Limited

In July 2014 the Group acquired the freehold of the site, part of a listed former cinema building, located on Buccleuch Street, Edinburgh, from the developer. The project is in a sought after location next to the University of Edinburgh. The Company estimates that on completion the property will have a valuation in the region of £11.2 million.⁽²⁾

(1) Value based on progress of the development of the asset to 29 October 2014.

(2) This figure does not represent a formal valuation of the property and is a management estimate of the potential value of the property at practical completion, assuming a yield on costs of 8.0 per cent. and a yield at practical completion of 6.1 per cent. The potential uplift in valuation at practical completion over the total required investment is a function of the current budgeted arrangements and contracts which exist to complete the property, and the valuation metrics applicable to the current market conditions. Such valuation metrics are likely to change by the time of practical completion of the property, which could result in greater or lesser gains for the Group. This estimate is for illustration only, subject to change and is therefore not a profit forecast.

Development projects

Brunswick House (Southampton)

Title	Freehold
Proposed number of beds	173
Total Company investment (equity and share of joint venture debt)	£6.9 million
Valuation as at 29 October 2014 ⁽¹⁾	£1.80 million (this figure represents the value of the Group's 50 per cent. joint venture interest in the property)
Estimated completion date	September 2015
Estimated yield on completion	6.5 per cent.
Estimated yield on cost	9.5 per cent.
Joint venture partner	Revcap affiliated investment fund
Current percentage equity interest in project	50 per cent.

In July 2014, Empiric (Southampton) Limited, a joint venture development company owned on a 50/50 basis between the Company and a Revcap affiliated investment fund, acquired Brunswick House on Brunswick Place, Southampton for £3.58 million. The project comprises the redevelopment of a commercial office property into a direct-let, premium student accommodation scheme and was acquired with existing planning permission for 158 studio beds which is subject to a variation application to increase the number of beds. The proposed opening target date for the development is September 2015 in time for the 2015/2016 academic year. The project is located in central Southampton, close to Southampton Solent University and between the city centre and the University of Southampton. Empiric (Southampton) Limited has entered into a development loan facility with Close Brothers Limited to fund the development of the project. The Company estimates that on completion the Company's share in the property will have a valuation in the region of £10.2 million.⁽²⁾

(1) Value based on progress of the development of the asset to 29 October 2014.

(2) This figure does not represent a formal valuation of the property and is a management estimate of the potential value of the Company's share in the property at practical completion, assuming a yield on costs of 9.5 per cent. and a yield at practical completion of 6.5 per cent. The potential uplift in valuation at practical completion over the total required investment is a function of the current budgeted arrangements and contracts which exist to complete the property, and the valuation metrics applicable to the current market conditions. Such valuation metrics are likely to change by the time of practical completion of the property, which could result in greater or lesser gains for the Group. This estimate is for illustration only, subject to change and is therefore not a profit forecast.

Willowbank Primary School (Glasgow)

Title	Freehold (on completion)
Proposed number of beds	178
Total Company investment (equity and share of joint venture debt)	£6.7 million
Valuation as at 30 September 2014	—*
Estimated completion date	September 2016
Estimated yield on completion	6.5 per cent.

Estimated yield on cost	9.0 per cent.
Joint venture partner	Revcap affiliated investment fund
Current percentage equity interest in project	50 per cent.

* Due to the current status of Willowbank, it has not been valued for the purposes of the Valuation Report.

In August 2014, LCPP acting on behalf of Empiric (Glasgow) Limited, a joint venture development company owned on a 50/50 basis between the Company and a Revcap affiliated investment fund, concluded missives (equivalent to exchange of contracts under English law) with Glasgow City Council (the “**Council**”) in relation to the acquisition of the former Willowbank Primary School, on Willowbank Crescent, Glasgow (“**Willowbank**”) for a purchase price of £1.83 million. Completion of the acquisition of Willowbank will be subject to receipt of planning approval and listed building consent to redevelop the building into direct-let premium student accommodation. A planning application has been submitted for the development of a scheme comprising approximately 178 beds in a mix of studio, two and three bed apartments. An agreed overage payment is payable in the event that planning consent is obtained for bedrooms in excess of 158 bedrooms. Planning approval is currently anticipated to be received by the end of 2014.

Due to the original offer to acquire Willowbank having been submitted by LCPP (a company controlled by Timothy Attlee and Paul Hadaway), and approved by the Council’s committee, prior to the establishment and IPO of the Company, the Council required missives to be concluded with LCPP rather than the Company (or a group company). The property will therefore initially be acquired by LCPP (funded by, and acting on behalf of, Empiric (Glasgow) Limited) and then transferred to Empiric (Glasgow) Limited shortly following acquisition, with no benefit to LCPP. LCPP, the Company and Empiric (Glasgow) Limited have, in addition, entered into a fronting agreement (the “**Fronting Agreement**”) pursuant to the terms of which LCPP has agreed, amongst other things, to hold LCPP’s interest under the missives on trust for Empiric (Glasgow) Limited, to comply with its instructions in relation to the missives and to transfer title to the property to Empiric (Glasgow) Limited. It is agreed and acknowledged by the parties to the Fronting Agreement that LCPP shall not be entitled, and is not intended, to receive any financial benefit on its own behalf from the Fronting Agreement or its holding of title at any time to the property.

As a condition of concluding missives with LCPP, the Council has required the Company to enter into a guarantee (the “**Guarantee**”) in favour of the Council, pursuant to the terms of which the Company will guarantee the payment and development obligations of LCPP in relation to the Willowbank scheme, in all cases up to an aggregate maximum capped amount of £4 million. The Guarantee will continue to apply post-settlement unless any transferee of the Willowbank site can satisfy a covenant test for discharge which is contained in the Guarantee. In addition, it has been agreed that in all cases, the total aggregate direct and indirect financial exposure of the Company to LCPP (whether potential or actual) and whether under the Guarantee and/or the terms of the Fronting Agreement (via its interest from time to time in Empiric (Glasgow) Limited) shall not at any time exceed £4 million.

Willowbank Crescent is a super-prime location in the West End of Glasgow situated between the city centre and the University of Glasgow. The project is estimated to be completed in September 2016 in time for the 2016/17 academic year. The Company estimates that on completion the Company’s share in the property will have a valuation in the region of £9.3 million.⁽¹⁾

(1) This figure does not represent a formal valuation of the property and is a management estimate of the potential value of the Company’s share in the property at practical completion, assuming a yield on costs of 9.0 per cent. and a yield at practical completion of 6.5 per cent. The potential uplift in valuation at practical completion over the total required investment is a function of the current budgeted arrangements and contracts which exist to complete the property, and the valuation metrics applicable to the current market conditions. Such valuation metrics are likely to change by the time of practical completion of the property, which could result in greater or lesser gains for the Group. This estimate is for illustration only, subject to change and is therefore not a profit forecast.

Valuation of the Property Portfolio

The Company has commissioned CBRE to produce a valuation report on the investments comprising the Property Portfolio as at 29 October 2014. The Valuation Report is set out in Part 6 of this Registration Document and values the Property Portfolio in aggregate at £86.15⁽¹⁾ million as at 29 October 2014.

The Valuation Report sets out a description of the investments comprising the Property Portfolio (with the exception of Willowbank) and highlights material points which have been taken into account in the valuations of such properties. The Company believes that there have been no material changes in the valuation of the investments comprising the Property Portfolio since the date of the Valuation Report and the date of this Registration Document.

(1) This valuation excludes the Willowbank development project and is based on the special assumption that Northgate House (Cardiff) has reached practical completion and is fully let at the date of valuation.

Tenant demographics of the operational properties

The statistics below illustrate the diversification as between level of study and geographical origin of tenants at the Group's operational properties (excluding Aberdeen and Southampton).

<i>Level of study</i>	<i>%</i>
Postgraduate	42
Undergraduate	
– first year	27
– second year	15
– third year	14
PhD	2
<i>Geographical origin</i>	<i>%</i>
Asia	49
UK	22
Europe (excl. UK)	11
Middle East	9
Africa	5
North America	3
South America	1
Australasia	1

Source: the Company. Statistics for 2014/15 academic year excluding Centro Court (Aberdeen) and London Road (Southampton).

PART 3

THE UK STUDENT ACCOMMODATION MARKET

A changing sector

The private student accommodation sector in the UK continues to undergo a fundamental evolution. Traditionally, students in the UK have been housed in university halls of residence, particularly during their first undergraduate year. These traditional halls typically provide an institutional living experience with a certain level of pastoral care. Second and third year students have generally migrated to the private open market where they are confronted with the multiple challenges of setting up utilities and broadband access and establishing a group with which to share costs and live together, a set-up known as a House in Multiple Occupation (“**HMO**”).

The modern generation of students is increasingly moving towards purpose-built (or converted) student accommodation. Private owned purpose-built accommodation is typically let directly to students rather than to the HEI (“**Direct Let**”). Certain types of private purpose-built accommodation may also have an affiliation with a HEI, whereby the HEI may sanction or approve certain buildings or Direct Let options in its area. The purpose-built accommodation is typically relatively high density modern student accommodation, providing students with communal space and a conventional studio or flat. This option is typically a professional, institutional investor led and owned development, with a professional management team.

Direct Let removes many of the challenges of the HMO sector, providing almost the simplicity of hotel style accommodation. Typically this has resonated with international students less familiar with the UK, but increasingly second and third year students and postgraduates are also migrating toward the Direct Let.

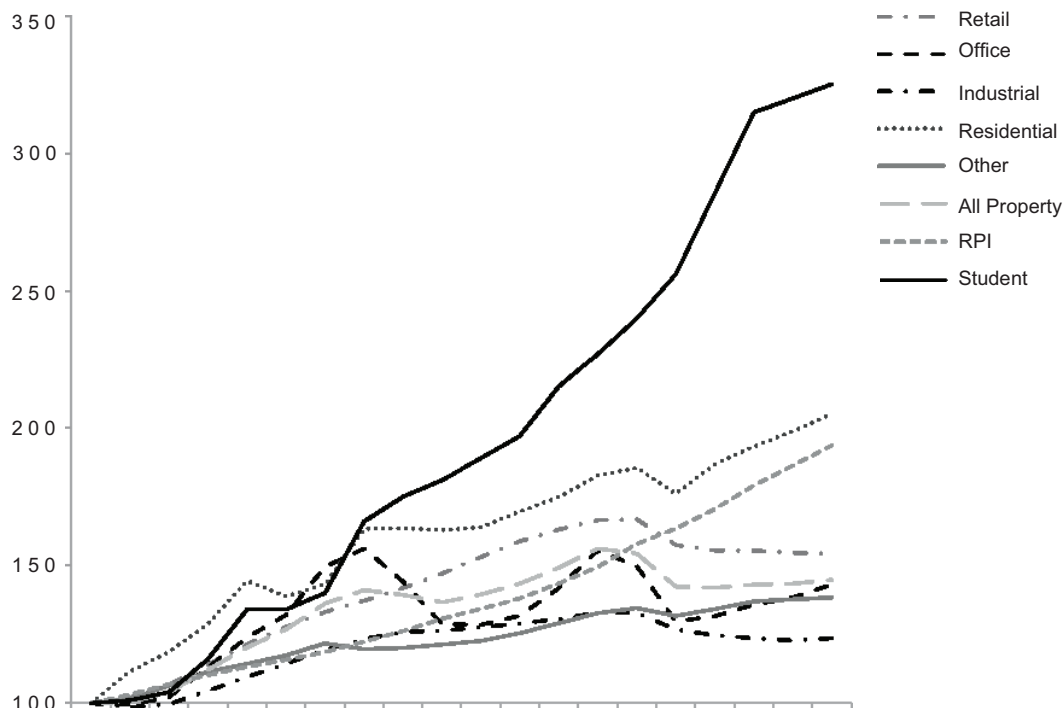
The private Direct Let allows landlords to benefit from growing rents, as they provide for annual rental reviews. This ability to respond to the market has led to increasing quality of provision and consistent rental growth. Each individual student generally signs a separate lease with the provider of accommodation and hence the property will typically have a very diverse customer base.

With the significant recent rise in tuition fees, the rising student numbers, and the competitive employment market for graduates, it is the Directors’ belief that students are increasingly seeking a high quality environment in which to live, without the stresses of the traditional HMO.

Taken as a whole, the purpose-built student accommodation sector has shown consistent growth in rents suggesting a considerable supply demand imbalance. The sector stands out when compared to other real estate sectors and general indicators of inflation (Figure 1).

The migration of student occupation from HMOs to purpose-built accommodation provides benefits to a local community. HMOs released from student occupiers eases pressure on private sector housing and brings the property into the council tax net.

Figure 1
Rental value growth in the UK, by sector



Source: IPD, National Union of Students, Savills, ONS, Jones Lang LaSalle

Purpose-built student accommodation sector, as a whole, has delivered the best rental growth of any UK property sector, growing significantly in excess of RPI.

The market opportunity

In general, the UK student accommodation sector is emerging as an asset class in its own right. Factors contributing to the continued growth of this sector include:

- a continuing structural imbalance between demand for purpose-built Direct Let student accommodation and insufficient supply. With rising student numbers, a general migration from the HMO to the purpose-built asset and a supply pipeline that is lagging behind demand, the Executive Directors believe this imbalance will continue.
- In recent years the sector has represented a stable asset class in terms of net initial yield measured at acquisition (Figure 2).
- The sector has demonstrated resilience through the recent economic downturn and has proved to be less volatile compared to wider property market movements. Its highly specific characteristics have provided a level of insulation and detachment from the movement in values in other real estate assets.
- Occupancy rates have remained high throughout the recession, with many facilities running at close to full occupation levels (Figure 3).
- The low risk nature of multi-tenant student accommodation assets, where parental financial rent guarantees are given.
- The short-term nature of the residential leases allows for annual rent reviews.

- The continued attraction of the UK's higher education system to international students is likely to drive further demand, particularly at the higher end of the quality spectrum of the Direct Let sub-sector.

Figure 2

Net initial yield on acquisition of student accommodation assets versus other property asset classes and UK Gilts.

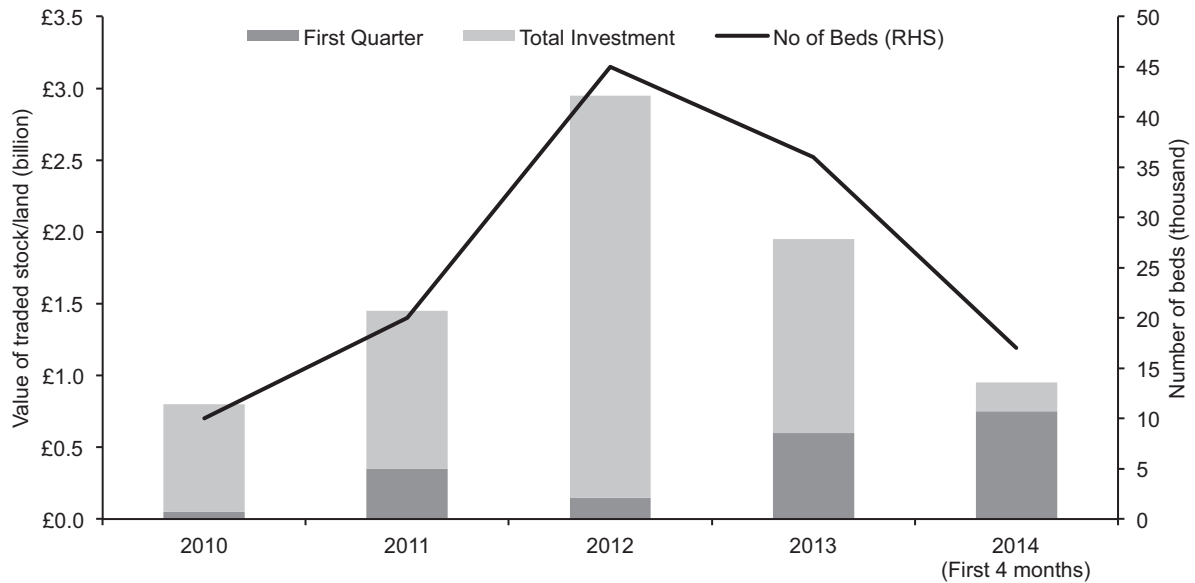
Student accommodation yields have remained stable over recent years, as rental growth has been matched by capital appreciation. The sector has therefore outperformed other sectors (see Figure 1). Yields though remain in general higher than in other sectors as student accommodation remains a specialist real estate segment with barriers to entry such as scale and access to dedicated operating platforms.



Source: Savills, IPD, Bank of England

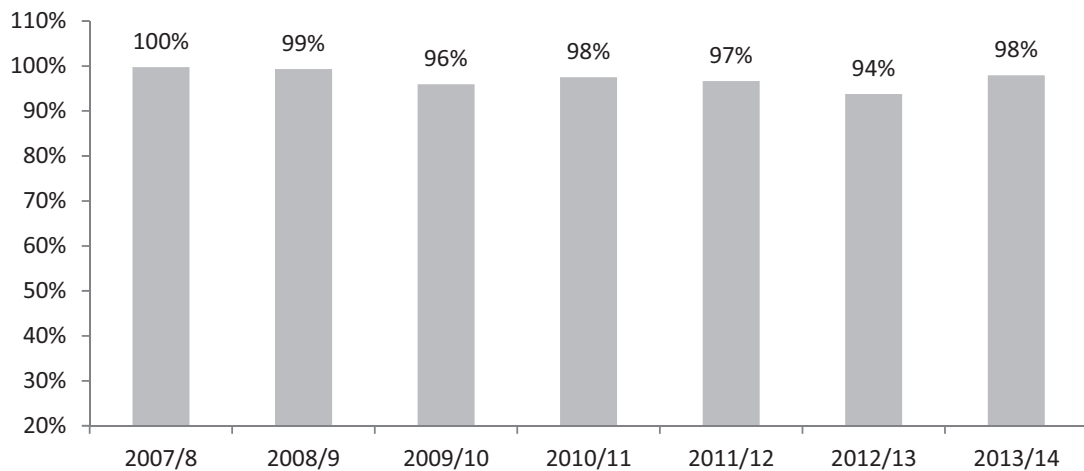
The sector is increasingly attracting significant levels of institutional capital. The last three years has seen rapidly increasing levels of transactional activity. In 2013, approximately £2.6 billion of gross assets (representing 40,000 beds) were sold compared to the nearly £1 billion in 2010. In 2014, it is expected that in excess of £3 billion, overall, will be transacted (Source: Savills).

Figure 3
Transaction volume in the UK student accommodation market



Source: Savills

Figure 4
Blended occupancy levels across the UK



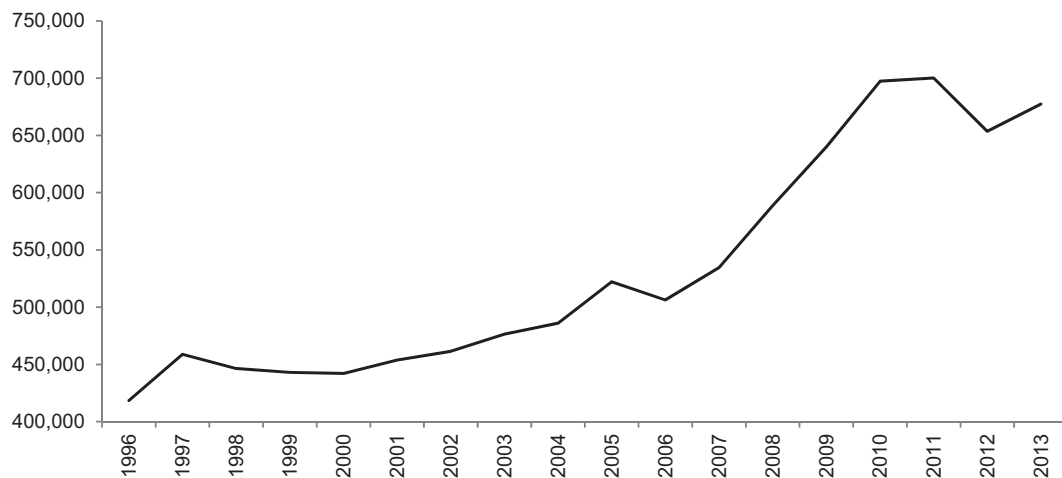
Source: Savills

Demand – The student market

In 2012/2013, there were 1.68 million full time students in the UK, of which 425,000 (25 per cent.) were international students (Source: HESA). Although the peak in student numbers was experienced in 2010/11, the number of applicants is now approaching those levels again (Figure 4). In 2013/14 UCAS placed 495,600 under-graduates into higher education, an increase of 30,700 (6.6 per cent.) over the previous year and the highest number recorded for a single year.

Increased tuition fees and a challenging economy have not deterred UK students from enrolling into institutions away from their home towns and cities. In 2012/13, almost 60 per cent. of UK domiciled new students chose to study over 25 miles from their homes.

Figure 5
Growth in number of student applicants in the UK



Source: UCAS

The Rise of the International Student in the UK

The UK is the second most popular country across the globe, for international students. In the 2013/2014 cycle, UK HEI acceptances from other EU countries increased 5.5 per cent. to 24,500 (around 4-5 per cent. of all acceptances). Acceptances from countries outside the EU have also increased in 2013/14, up 5.8 per cent. to 37,500 (around 7-8 per cent. of acceptances) (Source: UCAS).

UK higher education has strengthened its position in an international context. In 2000, the UK had a 10.8 per cent. share of the global market for students studying abroad. By 2011, this had grown to 13.0 per cent. In 2011/2012, it was estimated that international students spent £10.2 billion on tuition fees and living expenses in the UK (Source: Jones Lang LaSalle). As the Government's international education strategy acknowledges, international students enhance the UK's cultural life and broaden the educational experience of the students they study alongside.

The numbers of international students generally continue to increase in the higher ranked universities and decrease in the lower ranks. This is indicative of an increasing demand for high quality education from international students.

International students tend to be more sophisticated consumers, typically demanding accommodation with modern amenities, which they can source online and review through social media. Purpose-built accommodation also provides higher levels of safety and security. As international students also pay much higher tuition fees than their UK counterparts, accommodation is proportionately a smaller element of their overall education cost. The Directors believe that this may contribute to the general theme of international students driving demand for higher quality, albeit higher priced, purpose-built accommodation options.

The Government's Department for Business, Innovation and Skills believes it is realistic for the numbers of international students in the UK to grow by 15-20 per cent. over the next five years, and has signalled that there is no cap on the number of students who can come to study in the UK (though visa conditions continue to apply). The Department published a comprehensive paper (in mid-2013) setting out its support for growing international student numbers and its view that there are few sectors in the UK with the capacity to grow and generate export earnings as impressive as that of education.

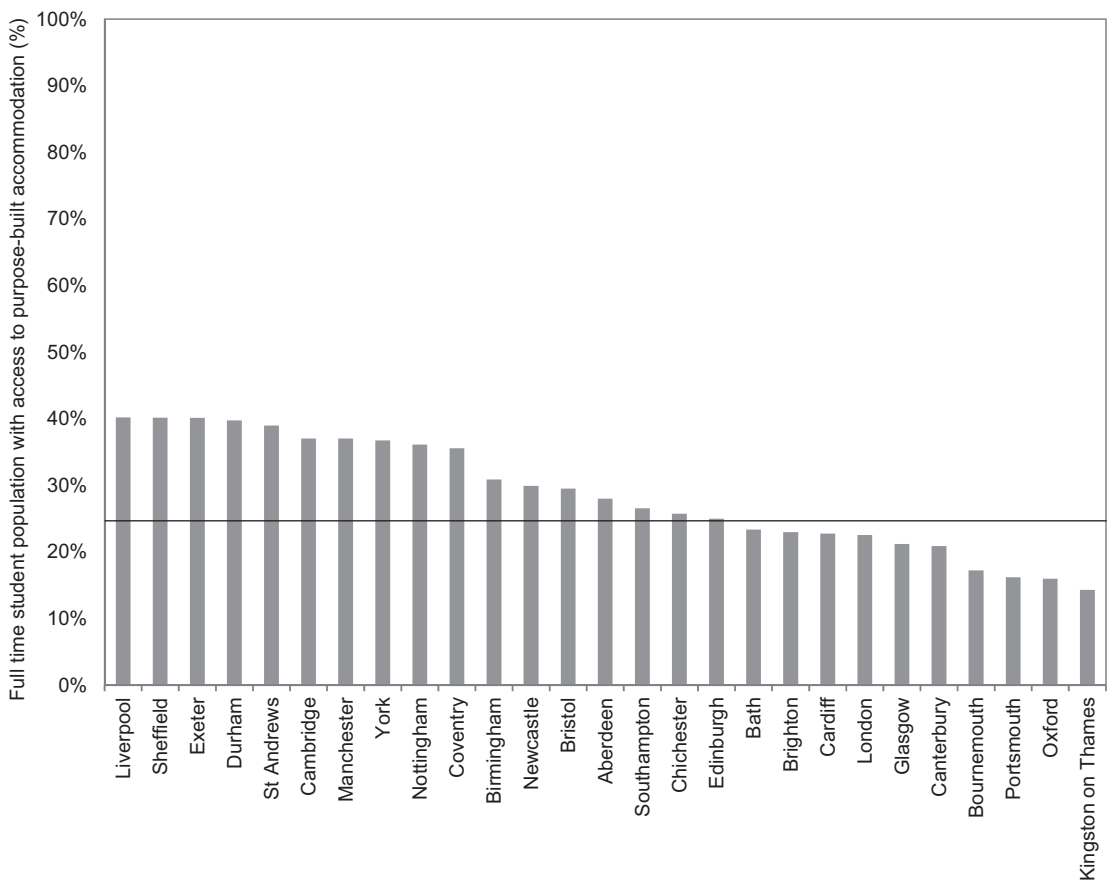
Supply – Undersupply of purpose-built accommodation

The supply of suitable student accommodation has failed to keep pace with demand. Universities appear unwilling to develop their own accommodation, instead favouring investment into teaching facilities. This has pushed students increasingly toward the private sector, where students recognise the value of high quality purpose-built accommodation and local authorities are starting to restrict the supply of HMOs in certain areas.

Within the 27 top tier university towns and cities targeted by the Company, there are currently approximately 316,000 purpose-built bed spaces, compared to 1.13 million students. This includes all halls of residence and other purpose-built student accommodation assets. In some university towns and cities, this level of purpose-built accommodation even falls short of the total number of first year students (typically comprising 25 per cent. student population in any specific university town or city). Excluding the tranche of first year students, across all university towns and cities shown in Figure 5, 96 per cent. of students do not have access to a purpose-built bed.

Figure 6
Student population with access to purpose-built accommodation

In many cities there is not sufficient purpose-built accommodation to cater even for first year students. (The horizontal black line at 25 per cent. indicates the average proportion of first year students across the cities).



Source: Savills

Government Policy

Outlined below are some of the key Government policies that have had, and are likely to continue to have, a significant effect on the student accommodation market in the UK.

- *Lifting of student caps in 2015/16* – the Chancellor's Autumn Statement in 2013 announced the removal of the cap on student numbers from 2015/16, with an additional 30,000 places being made available in 2014/15 as an interim measure. The removal of the cap is estimated by the Government to result in an increase of up to 12 per cent. in enrolments, with a commensurate requirement for increases in student bed spaces.
- *Tuition fees* – in 2012/13, student numbers were impacted by the introduction of higher tuition fees (from £3,000 up to £9,000 at universities across the UK). While it was predicted that the increase in tuition fees would have a significant impact on student numbers, in the 2013/2014 cycle applications increased again and the number of acceptances for UK domiciled students was at its highest ever level.
- *AAB model* – for the 2012/2013 cycle, the UK Government lifted the restriction on UK universities on the recruitment of students with AAB+ A-level grades (or equivalent), in order to encourage competition and efficiency within the higher education sector and to give students more choice. This has led to further upward pressure on student numbers.
- *Restrictions on HMOs* – some local authorities have implemented the Article 4 Direction to remove or prevent change of use to HMOs. A reduction in the availability of HMOs would increase demand for alternative student housing, such as purpose built accommodation.

Historical Performance and Current Pricing

The purpose-built student accommodation sector has delivered steady and rising rental income above inflation rates. The sector has demonstrated superior performance compared to all other real estate sectors – in the period from 1995 to 2013, rental values have tripled, showing almost twice as much growth as that from other real estate sectors (Figure 1). Direct Let assets are currently trading at net initial yields of approximately 6.5 per cent. in prime regional areas, and at sub 6.0 per cent. in London.

Trends

The student accommodation sector has shown a stable yield profile (Figure 2). Following yield compression in the early to mid-2000s, average yields hit 5.75 per cent. in 2007, rose to 6.4 per cent. in 2009 and have stabilised around this level. However, as rental values continue to grow (Figure 1), and yield remains constant, asset price inflation is the result. Given the structural imbalance in the sector and the challenges to large scale development in the UK, the Directors believe that the returns in the sector should remain attractive for the medium to longer terms.

PART 4

DIRECTORS AND ADMINISTRATION

DIRECTORS

As an internally managed investment company, the Executive Directors are principally responsible for the management of the Company's investment activities on a day to day basis. The principal responsibility of the Board is to promote the long term success of the Company by creating and delivering sustainable shareholder value. The Board leads and provides direction for the Executive Directors by setting the investment objective and investment policy and overseeing its implementation by the Executive Directors.

The Board is responsible for ensuring that an effective system of internal control is maintained and that management maintains an effective risk management and oversight process across the Group, so that growth is delivered in a controlled and sustainable way.

The majority of the Board (including the Chairman) are independent of the Executive Directors and will be responsible for the oversight of the activities and performance of the Executive Directors.

The Directors are as follows:

Brenda Dean (The Rt Hon Baroness Dean of Thornton-le-Fylde) (Chairman) (aged 71)

Baroness Dean is currently a member of the regulated board of Places for People, and was for nine years (2004–2013) a non-executive director at Taylor Wimpey acting as a member of the remuneration, audit and nomination committees at various times. Baroness Dean was also the chairman of the Covent Garden Market Authority (2005–2013), and as chairman led the work to secure the redevelopment of the 57 acre site.

Amongst many other activities, Baroness Dean was chairman of the Housing Corporation (now the Homes and Communities Agency), which managed private and public funding in excess of £50 billion in the sector. She was also chairman of the Armed Forces Pay Review Body.

Baroness Dean is currently a non-executive director of the National Air Traffic Services (NATS), and is a member of the remuneration committee and chairman of the employee share trust.

Baroness Dean is a member of the Council for Nottingham University (a member of the Russell Group), and holds honorary degrees from ten different universities in the UK. She was a member of the National Committee of Inquiry into the Future of Higher Education – the Dearing Committee, has been a Council member of City University, London, the Open University and the London School of Economics.

Baroness Dean was created a Life Peer in 1993 and a member of the Privy Council in 1998.

Paul Hadaway BA (Hons) RIBA (Chief Executive Officer) (aged 53)

An architect by training, Paul worked in Hong Kong on the development of the North Island Line of its metro railway system, the MTR. He returned to London in 1986, and worked for Chicago based Skidmore Owings and Merrill, where his clients included Natwest and Hyatt Hotels. Paul also worked as a partner in an architectural practice, The Design Solution, from 1991 with clients including BAA, Westfield, Compass Group and Debenhams.

Paul has worked as a property investor since his first purchase, an office building in Lambeth, in 1997. He began working with Tim Attlee in 1999. Their property developments since then have

included student, up-market residential, medical and educational turn-key buildings and commercial offices.

Along with Tim Attlee, Paul was jointly responsible for the acquisition, development and management of LCPP's student portfolio.

Timothy Attlee BSc (Hons) MRICS (*Chief Investment Officer*) (aged 52)

After obtaining a degree at King's College, London and post graduate study at the University of Reading, Tim ran an office in Botswana for Knight Frank undertaking all aspects of real estate general practice, but with particular emphasis on institutional investment and development. Since 1988, Tim has worked as a principal in property development and investment businesses, working on a wide range of projects in Botswana and South Africa, many of which were undertaken on behalf of institutional clients.

After returning to the UK in 1998, Tim worked on projects across the UK, before establishing a working partnership with Paul Hadaway, his partner in LCPP, in 1999.

In 2009, LCPP first targeted the UK student residential market and Tim was jointly responsible for the acquisition, development and management activities of LCPP's student portfolio.

Michael Enright FCA (*Chief Financial Officer*) (aged 58)

Michael has worked in industry and commerce since 1977, having qualified with Arthur Andersen & Co where he remained until 1981. After three years working in New York and Miami in corporate finance roles, Michael returned to the UK to lead the flotation of CCF Group plc (a provider of technology to the financial services sector), as finance director. CCF was subsequently renamed Quotient plc, and experienced strong growth, organically and through M&A and joint venture activities, across key global markets. The business was subsequently acquired by Misys Group plc.

As finance director at Oasis Group plc (a strategic consulting and technology provider), Michael led a proposed UK flotation, which was overtaken by an acquisition by Sybase Inc, a c.US\$1.5bn NASDAQ listed technology provider. In 1996, Michael was also part of a management buy-in team at M-R Group plc (a document services and work flow technology provider) and, after a period of major restructuring and repositioning, this business was also acquired by a major US technology company in 1999.

From 1999, Michael focused on opportunities in the property and leisure sectors, including investment in, and an advisory role to, LCPP from its inception.

Michael Enright's role is not full time and currently he works on average 3.5 days per week. It is intended that Michael's position will transition to full time as the business of the Company develops.

Stephen Alston (*Non-Executive Director*) (aged 51)

Stephen is a partner of Real Estate Venture Capital Management LLP with responsibility for asset management across its UK investment portfolio and the raising of debt funding requirements for both investment and development projects. Stephen is also a member of the Revcap investment committee. Stephen has 25 years experience structuring investment, development and planning deals as a lender and financial equity partner for both commercial and residential projects across market cycles. Stephen was previously Deputy CEO (Commercial Banking & Treasury) at Ahli United Bank (UK) PLC. Stephen is a member of the Association of Property Lenders.

As an employee of Real Estate Venture Capital Management LLP, Stephen is not considered to be fully independent for the purposes of the Listing Rules.

Jim Prower ACA (*Non-Executive Director*) (*aged 59*)

A chartered accountant, Jim is currently the finance partner of Argent (Property Development) Services LLP and Argent Investments LLP, and was group finance director of Argent Group PLC (“Argent”) between January 1998 and November 2012. During that period, Argent has been responsible for the development of Brindley Place in Birmingham, Piccadilly Place, One Piccadilly Gardens and One St Peters Square in Manchester. Jim’s role at Argent includes the funding of, and the reporting related to, the development of Kings Cross Central in London (a 67 acre development in the heart of London, including c.50 new buildings and c.2000 new homes). Jim also acts as director and company secretary of Miller Argent Holdings Limited, a 50:50 joint venture between Argent and Miller Group, which is undertaking the third phase of the East Merthyr Tydfil reclamation scheme by opencast coal mining methods.

Jim is a non-executive director of Tritax Big Box REIT plc (where he chairs the audit committee), a c.£400 million UK listed REIT. Jim also held the role of finance director and company secretary at Minty plc (1987–1989), Creston Land & Estates plc (1989–1995) and NOBO Group plc (1995–1997).

Alexandra Mackesy (*Non-Executive Director*) (*aged 52*)

Alexandra is a non-executive director of The Scottish Oriental Smaller Companies Trust Plc, Asian Total Return Investment Company plc and RENN Universal Growth Investment Trust PLC. Since 2000, she has worked as a part-time consultant in Asia. Prior to this, she held posts in Hong Kong with Credit Suisse as director, Head of Hong Kong and China Equity Research, JP Morgan as director, Asian Equity Research, and SBC Warburg/SG Warburg as director, Hong Kong Equity Research.

Other key employees and consultants

The Company also has engaged the services of the following key employees and consultants:

Ella Sargent CA – *Group Financial Controller*

After obtaining a Bachelor of Accounting, Finance & Information Systems at the University of Canterbury New Zealand, Ella went on to complete her professional exams while at KPMG Wellington. After qualifying as a Chartered Accountant in 2009 Ella moved to London to benefit from a larger market and wider opportunities. Prior to joining the Company, Ella held a number of financial management, control and reporting roles.

Andrew Leo MRICS – *Development Manager*

Andrew is a chartered quantity surveyor, having gained membership to the Royal Institution of Chartered Surveyors in 2009. Andrew joined the construction industry in 1996 and has gained experience on a wide range of construction projects providing quantity surveying services to sub-contractors, main contractors and professional construction consultants. Prior to joining the Company, Andrew specialised in providing technical due diligence services on construction projects to a range of funding institutions, with a focus on project management, project monitoring and risk management from inception to completion.

Charles Taylor BSC (Hons) MRICS – *Consultant (Acquisition surveyor)*

After obtaining a geography degree at the University of Nottingham and a post-graduate diploma in Surveying at the University of Reading, Charles was elected a professional member of the Royal

Institution of Chartered Surveyors in 2006. From 2003-2006, Charles worked in the Student Property team at Knight Frank in Birmingham, becoming an Associate in 2008. In 2009, Charles joined specialist student accommodation providers The Mansion Group, as an acquisitions surveyor, becoming head of department in 2013. Charles started working with the Company as a consultant in September 2014.

Martyn Roe MBA, MRICS, Dip Proj Man – Consultant (Operations manager)

Martyn obtained a degree in Land Management and a Masters in Business Administration from the University of Reading and was elected a professional member of the Royal Institution of Chartered Surveyors in 1989. Between 1985 – 1993, Martyn worked for both Debenham Tewson & Chinnocks and Hillier Parker in Los Angeles and London. Since 1994, he has been based in Scotland and has headed up the Scottish development businesses of a number of large property companies (London & Regional Properties, UNITE Group PLC and Kenmore Property Group). Since leaving Kenmore in 2008, Martyn has run his own student accommodation advisory business.

Investment process

Investment origination

The Executive Directors have established a network of contacts in the UK student accommodation sector from which potential investment flows are sourced. This network includes owner/operators, investment funds, developers, property agents and other proprietary real estate contacts. In addition, the Group can draw upon the contacts and resources of Revcap in order to identify potential investment opportunities.

The Company focuses on acquiring (or developing) assets in towns and cities with high-quality HEIs, an attractive imbalance of supply and demand in existing student accommodation and a student profile (typically with numerous overseas and graduate students) that supports the strategy of targeting higher rental rates.

Key locations are: Aberdeen, Bath, Birmingham, Bournemouth, Brighton, Bristol, Cambridge, Canterbury, Cardiff, Chichester, Coventry, Durham, Edinburgh, Exeter, Glasgow, Huddersfield, Kingston on Thames, Liverpool, London, Manchester, Newcastle, Nottingham, Oxford, Portsmouth, Sheffield, Southampton, St Andrews and York. The Company is not restricted to investing only in these locations.

As referred to in the investment policy, the Company generally targets prime central locations in order to increase the alternative use value of the properties and to limit the risk of obsolescence.

Due diligence

Following initial screening, short listed investment opportunities and projects are subjected to detailed financial, legal and technical due diligence by the Company. Following the successful conclusion of this due diligence process, a formal investment proposal and business plan for the investment is prepared. In addition, if an investment opportunity represents a project suitable for development via the joint venture with Revcap details of the proposal are shared with Revcap for internal review.

Approval and execution

The Executive Directors have authority to approve new investments, save where a transaction falls within the scope of the matters reserved for the full Board from time to time.

Executive Directors' incentive arrangements

In addition to the salaries payable to the Executive Directors pursuant to their service agreements and any bonuses awarded by the Remuneration Committee under the Company's annual bonus scheme, the Company operates a long term incentive plan (the "**LTIP**") under which the Executive Directors (and any other future employees of the Group) are incentivised by the grant to them of an option over Shares. Further details of the LTIP, the share awards granted to the Executive Directors and the applicable performance and vesting conditions are set out in paragraph 6 of Part 8 of this Registration Document.

Further details of the Executive Directors' service agreements and the annual bonus scheme are set out in paragraphs 5.1 and 6.3 of Part 8 of this Registration Document.

Other arrangements

Investment support arrangements

Revcap has been appointed by the Company under the terms of the Investment Support Agreement to provide certain investment support services to the Company in connection with the operation of its business including; providing the Board with interpretation of market analysis of the student accommodation sector utilising Revcap's proprietary knowledge and experience of the sector and the broader real estate market in general; providing high level strategy support, development and monitoring functions to the Board in relation to the development and implementation of the Company's investment strategy as the Board may request from time to time; providing oversight of, and administrative support in relation to, the due diligence process for the acquisition by the Company of new investments and providing such other investment support and administrative services as may be agreed between Revcap and the Company from time to time. The agreement with Revcap is non-exclusive.

Under the Investment Support Agreement, the Company has agreed to pay Revcap, as consideration for the provision of its services, a fee which shall accrue annually at a rate of 0.2 per cent. of the Net Asset Value (but adjusted, with effect from the first anniversary of the IPO, to exclude any cash balances held by the Company from time to time), which fee shall be payable in arrears each quarter based on the last published Net Asset Value (calculated before deduction of any accrued fee for that quarter) but subject always to a minimum annual payment of £170,000 (which minimum payment shall be increased to £200,000 with effect from the first date on which the Company shall have either, (i) raised in aggregate new equity funds of at least £100 million, or (ii) achieved a published Net Asset Value of at least £100 million) and a capped maximum annual payment of £300,000.

The Investment Support Agreement and the appointment of Revcap shall continue unless and until terminated by the Company or Revcap giving to the other not less than 12 months' written notice, such notice not to be served before the second anniversary of the IPO. The agreement may also be terminated immediately by the Company on the occurrence of certain events.

Facilities and lettings management

The Company is responsible for the facilities and lettings management of all properties in the portfolio. To facilitate the administrative and resource requirements, the Group will engage professional external facilities and lettings managers. As at the date of this Registration Document, the Group has engaged the services of four facilities and lettings managers, Collegiate AC, Aberdeen Property Leasing Ltd, Corporate Residential Management Ltd and Tenant Direct Ltd, in relation to various properties in the Property Portfolio. The Company anticipates that further external facilities and lettings managers will be engaged in relation to future properties acquired by the Group.

Under these arrangements, the facilities and lettings managers engaged by the Group will generally undertake property and facilities management services in relation to the relevant student units including collaborating with the Company in relation to the marketing and letting of the units in each property, rent collection and credit control services, payment of agreed capital expenditure (at the request of the Group), preparation of operating budgets for approval, overseeing building maintenance, maintenance of tenancy records, acting as tenant liaison and provision to the Company of agreed management reports and performance measures for the properties. These services are provided by the relevant facilities and lettings managers under the supervision of the Company. The Group is responsible for the marketing and letting of any commercial units forming part of its properties although, in certain cases, the external facilities and lettings managers may be engaged to provide a general oversight and rental collection service for commercial units.

As at the date of this Registration Document, the majority of the Group's properties are under the facilities and lettings management of Collegiate AC. Under the Collegiate Property Management Agreement, the Company has agreed to pay Collegiate AC a percentage (ranging between 4.5 and 5.5 per cent.) of the income collected by it on each property, or aggregation of properties, depending on the size and location of each property. In addition, in relation to mobilisation services for new properties (i.e. preparing them for letting), the Company will pay Collegiate AC a fixed payment of £150 per bed (subject to a minimum of £15,000 per property). If occupation of a property is delayed and Collegiate AC is required to manage interim arrangements, it will be paid a fixed fee of £4,500 per month plus other direct expenses incurred. All fees are exclusive of VAT.

The Collegiate Property Management Agreement may be terminated by the Company on six months' written notice prior to 31 August each year, such notice not to take effect prior to 31 August 2018 and is also terminable on 30 days' notice in the event of breach of a material provision of the agreement and in certain other circumstances including insolvency and dissolution.

Administrator and company secretary

IOMA Fund and Investment Management Limited has been appointed as administrator and company secretary to the Company. The Administrator will provide company secretarial functions required by the Companies Act. The Company's statutory records will be maintained at the Company's registered office. In addition, the Administrator will provide certain agreed administration functions to the Company.

Under the terms of the Administration and Company Secretarial Agreement, the Administrator is entitled to an administration fee of £30,000 per annum (exclusive of VAT). This fee is subject to review annually.

The Administration and Company Secretarial Agreement is terminable upon six months' written notice.

Registrar

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

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.20 per Shareholder account per annum, subject to a minimum fee of £3,000. The Registrar is also entitled to activity fees under the Registrar Agreement.

The Registrar Agreement may be terminated on six months' notice, such notice not to expire prior to the second anniversary of Admission.

Auditor

BDO LLP provides audit services to the Company. The annual report and accounts will be prepared according to the accounting standards laid out under IFRS.

Ongoing annual expenses

The ongoing annual expenses of the Company will be borne by the Company including salaries, bonuses and fees paid to the Directors and service providers as detailed in this Part 4, travel, accommodation, printing, audit, finance costs, due diligence and legal fees. All reasonable out-of-pocket expenses of the facilities and lettings managers engaged by the Group, the Administrator, the Registrar and the Directors relating to the Company will also be borne by the Company. The Company expects to have an overall total expense ratio of circa 1.2 per cent. per annum at the time of full deployment of the net proceeds of the Initial Issue, noting that the total expense ratio will tend to reduce over time as asset values rise (such ratio includes accrued for discretionary bonuses but excludes accrued for potential LTIP payments).

Conflicts of interest

Stephen Alston, an employee of Real Estate Venture Capital Management LLP (an affiliate of Revcap), is a Non-Executive Director of the Company.

Under the terms of the Investment Support Agreement, the Company has engaged Revcap to provide investment support services to the Company. The Company has also entered into the Revcap Development Framework Agreement under which Revcap and the Company have agreed to cooperate through a joint venture to acquire, secure planning, develop and retain as investments suitable properties and sites that can be developed/converted into prime student residential accommodation.

As an interested person, Stephen Alston will not participate in discussions or decisions of the Board, which relate to the Group's arrangements with Revcap and/or investment decisions relating to joint venture projects under the Revcap Development Framework Agreement.

Revcap also holds 1,500,000 Shares in the Company representing 1.76 per cent. of the issued share capital of the Company as at 29 October 2014 (being the latest practicable date prior to the publication of this Registration Document).

The Takeover Code

The Takeover Code applies to the Company.

Corporate governance

The Company is required under the Listing Rules to report its compliance or otherwise with the UK Corporate Governance Code in its annual financial statements each year.

The Board and Board Committees

The Chairman is Baroness Dean.

With the exception of Stephen Alston (who is an employee of Real Estate Venture Capital Management LLP) the Board considers each of the Non-Executive Directors (including the Chairman) to be independent for the purposes of the UK Corporate Governance Code. Jim Prower is the Company's Senior Independent Director.

The full Board will meet at least six times a year to consider general matters affecting the Company and otherwise as required. Committee meetings comprising any two or more Directors will meet

on an ad hoc basis to consider transactional and related matters concerning the Company's business.

The Board has established Audit, Remuneration and Nominations Committees. These Committees undertake specific activities through delegated authority from the Board. Terms of reference for each Committee have been adopted and will be reviewed on a regular basis by the Board.

Audit Committee

The Audit Committee comprises Stephen Alston, Alexandra Mackesy and Jim Prower, who is Chairman and is considered to have recent and relevant financial experience. The Audit Committee meets at least twice a year. There are likely to be a number of regular attendees at meetings of the Audit Committee, including other members of the Board and the Group's external auditors. The Chairman of the Audit Committee will also meet with external auditors without the Executive Directors present.

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and monitored. The Audit Committee reviews the annual and interim accounts, the accounting policies of the Group and key areas of accounting judgment, management information statements, financial announcements, internal control systems, risk management and the continuing appointment of auditors. It also monitors the whistle blowing policy and procedures over fraud and bribery.

Due to its size, structure and the nature of its activities, the Group does not have an internal audit function. The Audit Committee will continue to keep this matter under review.

Nominations Committee

The Nominations Committee comprises Stephen Alston, Paul Hadaway and Baroness Dean, who is Chairman. The Nominations Committee undertakes an annual review of any succession planning and ensures that the membership and composition of the Board and its Committees are constituted appropriately in light of the requirements of the Group and those of the UK Corporate Governance Code, with the necessary balance of skills and expertise to undertake their roles effectively.

Remuneration Committee

The Remuneration Committee comprises Jim Prower, Baroness Dean and Alexandra Mackesy, who is Chairman. The Remuneration Committee meets at least once a year to:

- determine and agree with the Board the broad policy for the remuneration of the Executive Directors;
- consider the achievement of the performance conditions under the annual and long-term incentive/bonus arrangements; and
- consider any major changes in employee benefit structures when determining executive remuneration.

The Remuneration Committee has delegated authority to set individual remuneration arrangements for the Executive Directors. In determining remuneration for the Executive Directors, the Committee reviews and agrees: (i) overall market positioning of the remuneration package; (ii) individual base salaries and increases; and (iii) the annual and long-term incentive/bonus arrangements, and sets the relevant targets for performance related schemes. In determining remuneration policy and packages, the Committee has regard to the UK Corporate Governance Code, the Listing Rules and all other relevant codes, laws and regulations.

The Committee also considers and recommends to the Board the content of the Directors' Remuneration Report which will have regard to and reflect all relevant legislation.

The fees and other payment arrangements for Non-Executive Directors are matters for consideration by a sub-committee of the Board, consisting of the Chairman and one or more Executive Directors, which makes recommendations to the Board as a whole.

Directors' share dealings

The Company is required to comply with the UKLA Model Code.

PART 5

FINANCIAL INFORMATION ON THE GROUP

PART A: HISTORICAL AND OTHER FINANCIAL INFORMATION ON THE GROUP

The audited consolidated financial information of the Group for the period from the Company's incorporation to 31 July 2014 (the "**Financial Information**") is set out in full in Part C of this Part 5. The Financial Information has been reported on by BDO LLP, whose report is set out in Part B of this Part 5. Where the Financial Information makes reference to other documents such other documents are not incorporated into, and do not form part of, this Registration Document.

The financial information contained in the Financial Information does not constitute Statutory Accounts within the meaning of Section 434 of the Companies Act.

Accounting policies

The Financial Information (as reproduced in Part C of this Part 5) have been prepared in accordance with IFRS. IFRS comprises standards and interpretations approved by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee and adopted by the European Union as at each relevant accounting period.

Prospective investors should read the following discussion, together with the whole of this Registration Document, including the Risk Factors and the Financial Information (as reproduced in Part C of this Part 5) and should not just rely on the information contained in Part C of this Part 5. Save for the Financial Information, none of the information in this Registration Document has been audited.

Operating and financial review

Introduction

The following is a discussion of the Company's financial condition and results of operations for the period from 11 February 2014 (the date of incorporation) to 31 July 2014 (referred to in this section as the "period under review"). This discussion should be read in conjunction with the section entitled "Capitalisation and indebtedness" in the Securities Note (and any Future Securities Note) and the Financial Information set out in Part C of this Part 5.

Some of the information contained in the following discussion contains forward-looking statements that are based on assumptions and estimates and are subject to risks and uncertainties. Investors should read the section entitled "Forward-looking statements" on page 15 of this Registration Document for a discussion of the risks and uncertainties related to those statements. Investors should also read the Risk Factors for a discussion of certain factors that may affect the Group's business, results of operations or financial condition.

Financial condition and results of operations

Listed on the 30 June 2014, the Company raised gross proceeds of £85 million via a placing and offer for subscription in conjunction with the IPO.

In the period under review, the Company deployed, in aggregate, approximately £43.3 million in the completion of the acquisition of four operating, income-producing student accommodation properties (College Green (Bristol); Summit House (Cardiff), Picturehouse Apartments (Exeter) and The Brook (Birmingham)).

In addition, the Company deployed £2.2 million in the acquisition of land for a forward funded project (Buccleuch Street (Edinburgh)) and has also committed £6.4 million for investment into the development of this site.

Finally, the Company deployed £1.8 million to part fund the acquisition of a development site (Brunswick House (Southampton)), in a joint venture with a company advised by Revcap, and has committed a further £500,000 for investment into the development of this site.

As at 31 July 2014, the Net Asset Value was £83.6 million (30 June 2014: £83.3 million (unaudited)). The audited Net Asset Value per Share as at 31 July 2014 was 98.3 pence (30 June 2014: 98.0 pence (unaudited)).

The Group's revenue in the period under review was £210,321.

The Group's primary source of revenue is student rental income. The Group generates student rental income from its tenants by letting rooms on assured shorthold tenancies. Gross student rental income in the period under review was £202,451. The Group also generates rental income from commercial lets in some of its buildings, which amounted to £7,542 in the period. Rental income is recognised on an accruals basis and, as a result, revenues are booked over the course of the tenancy rather than when payments are received. Overseas students without UK guarantors are required to pay 100 per cent. of their rent in advance, while UK students or overseas students with UK guarantors pay termly in advance. Cost of sales in the period were £87,703.

The Group also earns revenues from development services provided by Empiric Developments and from funding charges in respect of forward funding agreements. No such income was accrued in the period under review because the development and forward funded assets were acquired towards the end of the period.

Administrative expenses in the period under review were £312,137. Of this, £264,314 relates to the period (30 June 2014 to 31 July 2014) following the IPO. The main contributors to the latter figure were salaries and Director's remuneration. The balance of administrative expenses in the period under review, £47,823, relate to administrative expenses incurred at the time of the IPO.

The Group's total comprehensive income for the period under review was a gain of £402,323. Earnings per Share were 0.47 pence.

Significant factors

Since 31 July 2014, the following new developments have occurred which have affected the Company's income from operations:

- on 22 August 2014, Empiric (Edge Apartments) Limited completed the acquisition of Edge Apartments (Birmingham) for a purchase price of £8,940,000;
- on 2 September 2014, Empiric (Centro Court) Limited completed the acquisition of Centro Court (Aberdeen) for a purchase price of £6,500,000;
- on 30 September 2014, Empiric (Talbot Studios) Limited completed the acquisition of Talbot Studios (Nottingham) for a purchase price of £8,200,000;
- on 24 October 2014, RBS made available to the Group an investment term loan of up to £35.5 million, secured on a number of the Group's operating property assets;
- on 29 October 2014, Empiric (Alwyn Court) Limited exchanged contracts to acquire Alwyn Court (Cardiff) for a purchase price of £3,500,000;

- on 29 October 2014, Empiric (Northgate House) Limited exchanged contracts to acquire Northgate House (Cardiff) for a purchase price of £5,200,000. Completion of the acquisition is conditional on practical completion of the property;
- the first interim dividend of 1.5 pence per Share was declared today in relation to the period from the IPO to 30 September 2014.

The Company's operating properties are 99 per cent. occupied for the 2014/15 academic year, generating an aggregate annual net rent of approximately £5.1 million (exclusive of commercial rental income). This represents a yield on cost of 7.5 per cent. and an increase of 5.3 per cent. on like-for-like 2013/14 rent levels.

As at 30 September 2014, the Group had received 63 per cent. of its rental income for the 2014/15 academic year as a result of its policy of receiving rent in advance.

Factors that could materially affect the Group's operations

As far as the Directors are aware, there are no uncertainties that could materially affect the Group's operations other than those stated in the section entitled Risk Factors. There are no other trends, potential claims or other demands, undertakings or events, save for those which are a consequence of the regular operations, that can be expected to have a material adverse effect on the Group's business results of operations, financial condition or prospects.

PART B: ACCOUNTANT'S REPORT ON THE FINANCIAL INFORMATION ON THE GROUP



BDO LLP
55 Baker Street
London
W1U 7EU

30 October 2014

The Directors
Empiric Student Property Plc
6-8 James Street
London
W1U 1ED

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

Dear Sirs

Empiric Student Property plc (the “Company”) and its subsidiaries (together, the “Group”)

Introduction

We report on the financial information set out in Part C of Part 5. This financial information has been prepared for inclusion in the Registration Document dated 30 October 2014 of the Company (the “Registration Document”) on the basis of the accounting policies set out in note 1 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 Group as at 31 July 2014 and of its results, cash flows and changes in equity for the period 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)

PART C: FINANCIAL INFORMATION ON THE GROUP

EMPIRIC STUDENT PROPERTY PLC

Group Financial Information

for the period

11 February 2014 to 31 July 2014

EMPIRIC STUDENT PROPERTY PLC

Contents of the Financial Information

for the period

11 February 2014 to 31 July 2014

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 11 FEBRUARY 2014 TO 31 JULY 2014**

	<i>Notes</i>	<i>£</i>
Continuing operations		
Revenue	2	210,321
Property expenses	3	(87,703)
Gross profit		122,618
Administrative expenses	4	(312,137)
Change in fair value of investment property	10	721,460
Operating loss		531,941
Share of results from joint venture	12	(129,618)
Profit before income tax	6	402,323
Corporation tax	7	–
Profit for the period		402,323
Other comprehensive income		–
Total comprehensive income for the period		402,323
Earnings per share expressed in pence per share:	8	
Basic		0.47
Diluted		0.47

The notes form part of the financial information

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 JULY 2014

	Notes	£
Assets		
Non-current assets		
Property, plant and equipment	9	43,007
Investment property	10	46,454,000
Joint venture	12	1,754,544
		48,251,551
Current assets		
Trade and other receivables	13	1,554,999
Cash and cash equivalents	14	34,949,471
		36,504,470
Total assets		84,756,021
Liabilities		
Current liabilities		
Trade and other payables	19	1,196,232
Total liabilities		1,196,232
Equity		
Shareholders' equity		
Called up share capital	15	850,000
Capital reduction reserve	17	82,281,424
Retained earnings	18	428,365
Total equity		83,559,789
Total equity and liabilities		84,756,021

The notes form part of the financial information

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 11 FEBRUARY 2014 TO 31 JULY 2014**

	<i>Called up share capital £</i>	<i>Retained earnings £</i>	<i>Share premium £</i>	<i>Capital reduction reserve £</i>	<i>Total equity £</i>
Changes in equity					
Issued capital on incorporation	—	—	—	—	—
Issue of share capital	900,000	—	84,150,000	—	85,050,000
Redemption of share capital at par	(50,000)	—	—	—	(50,000)
Profit for the period	—	402,323	—	—	402,323
Share issue costs	—	—	(1,868,576)	—	(1,868,576)
Share-based payment	—	26,042	—	—	26,042
Reduction in share premium	—	—	(82,281,424)	82,281,424	—
Balance at 31 July 2014	850,000	428,365	—	82,281,424	83,559,789

The notes form part of the financial information

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 11 FEBRUARY 2014 TO 31 JULY 2014**

		£
Cash flows from operating activities		
Cash generated from operations	25	(478,218)
Net cash from operating activities		478,218
Cash flows from investing activities		
Purchase of tangible fixed assets		(43,469)
Investment in joint venture		(1,884,162)
Purchase of investment property		(45,732,540)
Net cash from investing activities		(47,660,171)
Cash flows from financing activities		
Share issue proceeds		84,000,000
Share issue costs		(1,868,576)
Restricted shares issued		50,000
Restricted shares redeemed		(50,000)
Net cash from financing activities		82,131,424
Increase in cash and cash equivalents		34,949,471
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period	14	34,949,471
The notes form part of the financial information		

NOTES TO THE FINANCIAL INFORMATION FOR THE PERIOD 11 FEBRUARY 2014 TO 31 JULY 2014

1. ACCOUNTING POLICIES

1.1 *Trading period*

The consolidated financial information of the Group reporting period is from the date of incorporation on 11 February 2014 to 31 July 2014 but the Group only commenced trading from 1 July 2014.

1.2 *Basis of preparation*

The consolidated financial information of the Group for the period to 31 July 2014 comprises the Company and its subsidiaries, together referred to as the Group. This financial information have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union. This is the first year that the Company has adopted IFRS.

The 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 Group's functional currency.

1.3 *Significant accounting judgements, estimates and assumptions*

The preparation of the Group's financial information requires management to make judgements, 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.

Judgements

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

(a) Operating lease contracts – the Group as lessor

The Group has acquired investment properties which are subject to commercial property leases with tenants. The 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.

(b) 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 10.

For properties under construction the fair value is calculated by estimating the fair value of the completed property using the income capitalisation technique less estimated costs to completion.

1.4 *Summary of significant accounting policies*

Basis of consolidation

The consolidated financial information comprises the financial information of the Company and its subsidiaries as at 31 July 2014. Control is achieved when the 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 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 Group has less than a majority of the voting or similar rights of an investee, the 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 Group's voting rights and potential voting rights.

The 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 Group obtains control over the subsidiary and ceases when the Group loses control of 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.

Segmental information

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in the United Kingdom in student accommodation.

Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure which is directly attributable to the acquisition of the asset.

Depreciation has been charged to the Consolidated Statement of Profit or Loss on the following basis:

Fixtures and fittings – 15% reducing balance;

Computer equipment – straight-line basis over three years.

Investment property

Investment property comprises property that is held to earn rentals or for capital appreciation, or both, and property under development. Property is held 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 and is included in the accounts upon completion. 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 Consolidated Statement of Profit or Loss 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 investment property is derecognised upon completion. 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 Consolidated Statement of Profit or Loss 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.

Joint Ventures

The group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

Joint ventures: where the Group has rights to only the *net assets* and the joint arrangement

Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- the structure of the joint arrangement
- the legal form of joint arrangements structured through a separate vehicle

- the contractual terms of the joint arrangement agreement
- any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures using the equity method.

Joint ventures are initially recognised in the consolidated statement of financial position at cost and are subsequently accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the joint venture unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its joint venture are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests in joint ventures by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

Rent and other receivables

Rent and other receivables are recognised at their original invoiced value net of VAT. A provision is made when there is objective evidence that the Group will not be able to recover balances in full.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity.

The Group's accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms

receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

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 from inception.

Financial liabilities

The Group's financial liabilities comprise mainly trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Rental income

The 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 Consolidated Statement of Profit or Loss 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.

Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Profit or Loss on a straight-line basis over the period of the lease.

Taxation

Taxation on the profit and loss for the period not exempt under UK REIT regulations comprises current and deferred tax. Taxation is recognised in Consolidated Statement of Profit or Loss 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 at the balance sheet date.

Share based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Profit or Loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

Where the terms and conditions of options are modified before they vest. The increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Profit or Loss over the remaining vesting period.

Share capital

The ordinary shares are classified as equity. External costs directly attributable to the issuance of shares are recognised as a deduction from equity.

Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2. PROPERTY INCOME

*For the period 11 February 2014
to 31 July 2014*
£

Rental income	210,321
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Rental income is generated from student lettings and commercial lease so is considered to be diverse in nature.

3. PROPERTY EXPENSES

*For the period 11 February 2014
to 31 July 2014*
£

Site offices and utilities	19,193
Technology services	13,385
Repairs and maintenance	10,945
Cleaning and service contracts	9,575
Direct site costs	34,605
	87,703

4. ADMINISTRATIVE EXPENSES

*For the period 11 February 2014
to 31 July 2014*
£

Salaries and Directors' remuneration	147,377
Legal and professional fees	44,341
Other administrative costs	120,419
	312,137

The auditor has also received £75,000 in respect of providing reporting accountant services for the IPO of Empiric Student Property plc and £7,350 in reviewing financial models relating to the IPO.

5. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	135,213
National insurance	12,164
	147,377

The average monthly number of employees during the period was as follows:

Management	3
Administration	6
	9

	£
Directors' remuneration	91,667
Share based payment	26,042
Total	117,709

6. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	£
Other operating leases	64,539
Depreciation – owned assets	462

7. CORPORATION TAX

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 Consolidated Statement of Profit or Loss 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.

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	<i>Earnings £</i>	<i>Weighted average number of shares</i>	<i>Per-share amount pence</i>
Basic EPS			
Calculation of basic EPS	402,323	85,000,000	0.47
Diluted EPS			
Adjustment for employee share options	—	937,500	
Calculation of diluted EPS	402,323	85,937,500	0.47

The number of ordinary shares is based on the time weighted average number of shares throughout the period since IPO. This excludes the period from 11 February 2014 to 30 June 2014 when the Group was dormant.

9. PROPERTY, PLANT AND EQUIPMENT

	<i>Fixtures and fittings £</i>	<i>Computer equipment £</i>	<i>Total £</i>
Cost			
Additions	35,142	8,327	43,469
At 31 July 2014	35,142	8,327	43,469
Depreciation			
Charge for period	244	218	462
At 31 July 2014	244	218	462
Net book value			
At 31 July 2014	34,898	8,109	43,007

10. INVESTMENT PROPERTY

	<i>Assets under construction £</i>	<i>Investment properties freehold £</i>	<i>Investment properties long leasehold £</i>	<i>Total £</i>
As at 11 February 2014	—	—	—	—
Property additions	2,122,600	33,498,180	10,111,760	45,732,540
Change in fair value during the period	1,067,400	(296,180)	(49,760)	721,460
As at 31 July 2014	3,190,000	33,202,000	10,062,000	46,454,000

In accordance with IAS 40, the carrying value of investment properties is their fair value as determined by external valuers. This valuation has been conducted by CBRE Limited, as external valuers, and has been prepared as at 31 July 2014, in accordance with the Appraisal & Valuation Standards of the Royal Institution of Chartered Surveyors ("RICS"), on the basis of market value. This value has been incorporated into the financial information.

The independent valuation of all property assets uses market evidence and also includes assumptions regarding income expectations and yields that investors would expect to achieve on those assets over time. Many external economic and market factors, such as interest rate expectations, bond yields, the availability and cost of finance and the relative attraction of property against other asset classes, could lead to a reappraisal of the assumptions used to arrive at current valuations. In adverse conditions, this reappraisal can lead to a reduction in property values and a loss in net asset value.

Fair value hierarchy

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

			<i>Quoted prices in active markets (Level 1) £</i>	<i>Significant observable inputs (Level 2) £</i>	<i>Significant unobservable inputs (Level 3) £</i>
	<i>Date of valuation</i>	<i>Total £</i>			
Assets measured at fair value:					
Investment property	31 July 2014	46,454,000	–	–	46,454,000

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: Rental values

The rent at which space could be let in the market conditions prevailing at the date of valuation.

(Range £109 per week – £215 per week)

(b) Unobservable input: Rental growth

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

Assumed growth of 3% used in valuations.

- (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: 6.15% – 6.50%)

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

- (e) Unobservable input: planning consent

No planning enquiries have been undertaken for any of the development properties.

11. SUBSIDIARIES

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>
Empiric (Birmingham) Limited	UK	100%	Property investment
Empiric (Buccleuch Street) Limited	UK	100%	Property investment
Empiric (Centro Court) Limited	UK	100%	Property investment
Empiric (College Green) Limited	UK	100%	Property investment
Empiric (Developments) Limited	UK	100%	Property investment
Empiric (Edge Apartments) Limited	UK	100%	Property investment
Empiric (Glasgow) Limited	UK	100%	Property investment
Empiric (Picturehouse Apartments) Limited	UK	100%	Property investment
Empiric (St Peter Street) Limited	UK	100%	Property investment
Empiric (Summit House) Limited	UK	100%	Property investment
Empiric Student Property Trustees Limited	UK	100%	Property investment

12. JOINT VENTURE

In July 2014 the Group entered into a joint venture with a company advised by Revcap Advisors Limited ("Revcap") to develop a 175 room site in Southampton called Brunswick House. The total cost of the development will be £13.9m. Funding for the development has been obtained with a contribution of equity, (50% from each entity), and from senior debt of £9.35m from Close Brothers. The completion date for the development of the property is scheduled for 30 September 2015.

	£
Investment made	1,884,162
Share of losses	(129,618)
Investment at 31 July 2014	1,754,544
Empiric (Southampton) Limited	UK 50% Property investment

13. TRADE AND OTHER RECEIVABLES

	£
Current:	
Called up share capital and share premium not paid	1,000,000
Other debtors	216,326
VAT recoverable	195,434
Prepayments	143,239
	1,554,999

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

14. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow as cash and cash equivalents are in respect of the following amounts shown in the Consolidated Statement of Financial Position:

	£
Cash at bank and in hand	34,949,471

15. SHARE CAPITAL

<i>Ordinary shares</i>		<i>Number</i>	£
Issued and fully paid	11 February 2014	1	–
Issued and partially paid	30 June 2014	85,000,000	850,000
At 31 July 2014		85,000,001	850,000
<i>Restricted shares</i>		<i>Number</i>	£
Issued and fully paid	29 April 2014	50,000	50,000
Redeemed at par value	30 June 2014	(50,000)	(50,000)
At 31 July 2014		–	–

The company issued 1 ordinary share of £0.01 on 11 February 2014 on incorporation, 50,000 restricted shares of £1 on 29 April 2014 and 85,000,000 ordinary shares of £0.01 on 30 June 2014. The restricted shares were redeemed at par on 30 June 2014.

16. SHARE PREMIUM

	£
Premium paid on shares issued	84,150,000
Costs associated with the issue of ordinary shares at IPO	(1,868,576)
Cancellation of share premium	(82,281,424)
At 31 July 2014	–

17. CAPITAL REDUCTION RESERVE

	£
Balance brought forward	–
Transferred on cancellation of share premium	82,281,424
At 31 July 2014	82,281,424

18. RESERVES

	<i>Capital reduction reserves</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Totals</i>
	£	£	£	£
Profit for the period	–	–	402,323	402,323
Cash share issue	–	84,150,000	–	84,150,000
Share based payment	–	–	26,042	26,042
Share issue costs	–	(1,868,576)	–	(1,868,576)
Cancellation of share premium	82,281,424	(82,281,424)	–	–
At 31 July 2014	82,281,424	–	428,365	82,709,789

The capital reduction reserve account is a distributable reserve account. On 30 July 2014 the Company, by way of Special Resolution, cancelled its share premium account as confirmed by an Order of the High Court of Justice, Chancery Division.

19. TRADE AND OTHER PAYABLES

	£
Current:	
Trade creditors	624,262
Accruals and deferred income	554,540
Other creditors	17,430
	1,196,232

The Directors consider that the carrying value of trade and other payables approximates to their fair value.

20. LEASING AGREEMENTS

Future total minimum lease payments under non-cancellable operating leases on office space currently rented fall due as follows:

	£
Between one and five years	633,780

Future minimum lease receivables under non-cancellable operating leases on investment properties are as follows:

	£
Between one and five years	255,000
More than 5 years	3,148,000
	3,403,000

21. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2014.

22. CAPITAL COMMITMENTS

At the balance sheet date the Group was committed to further capital expenditure on the development of the property owned by Empiric (Buccleuch Street) Limited totalling £8.76 million. The Group is also committed to providing further funding to the Empiric (Southampton) Limited joint venture totalling £2.28 million.

23. RELATED PARTY DISCLOSURES

Key management personnel

Key management personnel are considered to comprise the board of directors. Please refer to note 5 for details of the remuneration for the key management.

Property purchases

There were a number of properties that were acquired from joint ventures between London Cornwall Property Partners Ltd (LCPP) and funds advised by Revcap. These properties include College Green, Picturehouse Apartments, Summit House and Edge Apartments.

The table below describes the details of the related party transactions.

<i>Name</i>	<i>Location</i>	<i>Vendor</i>	<i>Related party associated with the Vendor</i>	<i>Acquisition Price (£m)</i>	<i>Acquisition Date</i>
College Green	Bristol	Bristol Student Housing LLP	LCPP ⁽¹⁾ Revcap ⁽²⁾ Michael Enright ⁽⁴⁾	9.97	1 July 2014
Picturehouse Apartments	Exeter	Prime Student Housing (Exeter) LLP	LCPP ⁽¹⁾ Revcap ⁽²⁾ Michael Enright ⁽³⁾	11.41	1 July 2014
Summit House	Cardiff	Prime Student Housing (Cardiff) LLP	LCPP ⁽¹⁾ Revcap ⁽²⁾ Michael Enright ⁽³⁾	9.58	1 July 2014
Edge Apartments	Birmingham	Prime Student Housing (Birmingham) Limited (Jersey)	LCPP ⁽¹⁾ Revcap ⁽²⁾	8.94	21 August 2014

(1) Paul Hadaway and Tim Atlee are directors' and shareholders' in LCPP.

(2) Stephen Alston is an employee of Real Estate Venture Capital Management LLP (an affiliate of Revcap).

(3) Michael Enright was a shareholder in the vendor for Picturehouse Apartments and Summit House.

(4) College Green was purchased from Bristol Student Housing LLP to whom Mr Enright was a senior debt provider.

Share capital

The below table details the share transactions of related parties over the period.

<i>Name</i>	<i>How related</i>	<i>No of shares</i>	<i>Transaction</i>	<i>Date</i>
Tim Atlee	Director	875,000	Purchased	30 June 2014
Paul Hadaway	Director	875,000	Purchased	30 June 2014
Michael Enright	Director	520,000	Purchased	30 June 2014
Baroness Brenda Dean	Chairperson	33,500	Purchased	30 June 2014
Platform Securities Nominees Ltd (Jim Prower)	Director	23,760	Purchased	30 June 2014

Unpaid share capital and share premium was owed by Paul Hadaway (£375,000), Timothy Atlee (£375,000) and Michael Enright (£250,000) as at 31 July 2014. The unpaid share capital and share premium was paid in full by Paul Hadaway (£375,000) and Timothy Atlee (£375,000) on 21 August 2014 and by Michael Enright (£250,000) on 9 September 2014.

Share-based payments

Upon admission nil cost options were granted to executive directors in the amounts of:

Paul Hadaway	375,000
Tim Atlee	375,000
Michael Enright	187,500

Details of the shares granted are outlined in note 26 – Share-based payments.

24. SUBSEQUENT EVENTS

A number of properties were purchased after the balance sheet date. The properties are listed below.

<i>Name</i>	<i>Location</i>	<i>Beds</i>	<i>Title</i>	<i>Acquisition Price (£m)</i>	<i>Acquisition Date</i>
Edge					
Apartments	Birmingham	77	Freehold	8.94	21 August 2014
Centro Court	Aberdeen	56	Freehold	6.95	2 September 2014
Talbot Studios	Nottingham	98	Freehold	8.36	24 September 2014 ⁽¹⁾
London Road	Southampton	46	Freehold	3.65	26 September 2014 ⁽²⁾
Alwyn Court	Cardiff	51	Freehold	3.50	29 October 2014 ⁽³⁾
Northgate House	Cardiff	67	Freehold	5.20	29 October 2014 ⁽³⁾

(1) Talbot Studios exchanged on 24 September 2014 with completion date being 30 September 2014.

(2) London Road exchanged on 26 September 2014 with completion expected to be in November 2014.

(3) Alwyn Court and Northgate House exchanged on 29 October 2014.

25. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	£
Profit before income tax	402,323
Share-based payments	26,042
Depreciation charge	462
Share of results from joint venture	129,618
Change in fair value of investment property	(721,460)
	(163,015)
Increase in trade and other receivables (excluding unpaid share capital)	(554,999)
Increase in trade and other payables	1,196,232
Cash generated from operations	(478,218)

26. SHARE-BASED PAYMENTS

The Company operates a share based remuneration scheme for executive directors.

Upon admission 937,500 nil cost options were granted to the executive directors (Paul Hadaway 375,000, Tim Atlee 375,000, and Michael Enright 187,500). The options will vest subject to the Company meeting Total Shareholder Return (TSR) targets. The initial target for shareholder return growth is 5% covering the period from 30 June 2014 to 30 June 2015. The subsequent target is 10% (compound) per annum during the two year period from 30 June 2015 to 30 June 2017. Subject to the criteria being met an award would vest after 30 June 2017 in shares.

The awards have the benefit of dividend equivalence. The remuneration committee will determine on or before vesting whether the dividend equivalent will be provided in the form of cash and/or shares.

Granted during the year	937,500
Outstanding at 31 July 2014	937,500

27. FINANCIAL RISK MANAGEMENT

Financial instruments

The 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 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 Group's financial instruments that are carried in the financial information:

Risk management

The 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 Group that are affected by market risk are principally the Group's bank balances.

(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 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 Consolidated Statement of Financial Position net of allowances for doubtful receivables and are monitored on a case by case basis. Credit risk is primarily 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 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 Group, with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and going forward, the finance charges and principal repayments on any borrowings, of which currently there are none. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due as the majority of the Group's assets are property investments and are therefore not readily realisable. The 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.

28. CAPITAL MANAGEMENT

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

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

Capital consists of ordinary shares, other capital reserves and retained earnings.

The Group had no borrowings at the balance sheet date.

PART 6

VALUATION REPORT

CBRE
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VALUATION REPORT

Report Date 29 October 2014

Addressee Empiric Student Property plc (the "Company")
6-8 James Street
London
W1U 1ED

Akur Limited
23 Bruton Street
Mayfair
London
W1J 6QF

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

(together the "Addressees")

The Properties The properties listed in the Schedule of Capital Values set out below ("the Properties").

Instruction To value on the basis of Market Value the Properties as at the valuation date in accordance with the instructions of the Company dated 21 February 2014 confirmed in our Terms of Business dated 21 May 2014 as amended by our terms of engagement dated 21 August 2014.

Valuation Date 29 October 2014.

Capacity of Valuer External.

Purpose of Valuation We are instructed to report to the Addressees our opinion as to the value of the Properties as at the Valuation Date for use in connection with the issuance of ordinary shares of £0.01 each in the capital of the Company (the "Shares"), and the admission of the Shares to the premium listing segment of the Official List of the UK Listing Authority and to trading on London Stock Exchange plc's main market for listed

securities (the “Transaction”) and the registration document to be issued by the Company in connection with the Transaction (the “Registration Document”).

Market Value

£85,922,000 (EIGHTY FIVE MILLION NINE HUNDRED AND TWENTY TWO THOUSAND POUNDS), exclusive of VAT, as shown in the Schedule of Capital Values set out below.

We have based our opinion of Market Value (as such term is defined under “Assumptions” below) valuation on the assumption that under current legislation the properties would qualify for Multiple Dwellings Relief (MDR). As with all SDLT legislation, this could be subject to change.

Where a property is owned by way of a joint tenancy in a trust for sale, or through an indirect investment structure, our valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm’s length terms.

The valuation of the properties included in the Group’s interim financial statements for the period ended 31 July 2014 was £48,208,544 (being £46,454,000 in relation to investment property and £1,754,544 in relation to joint ventures). The difference between the Market Value of the properties at 29 October 2014 and the Market Value of the properties in the Group’s audited interim statements for the period ended 31 July 2014 is explained as follows:

Market Value as at 31 July 2014	£48,208,544
Increase in Market Value in Properties held as at 31 July 2014	£453,456
Additions since 31 July 2014	£37,260,000
Market Value as at 29 October 2014	£85,922,000

Market Value on the Special Assumption that Northgate House, Cardiff, has reached Practical Completion and is fully let as at the date of valuation

£86,152,000 (EIGHTY SIX MILLION ONE HUNDRED AND FIFTY TWO THOUSAND POUNDS), exclusive of VAT, as shown in the Schedule of Capital Values set out below.

We have based our opinion of Market Value (as such term is defined under “Assumptions” below) valuation on the assumption that under current legislation the properties would qualify for Multiple Dwellings Relief (MDR). As with all SDLT legislation, this could be subject to change.

Where a property is owned by way of a joint tenancy in a trust for sale, or through an indirect investment structure, our valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm’s length terms.

Special Assumptions	As at the Valuation Date, Northgate House, Cardiff, is under construction. Northgate House is being purchased under a contract conditional upon Practical Completion being reached by 10 January 2015. We further understand that the Vendor will provide the purchaser with a rent guarantee for the 2014/15 year on a 100% of the units. Our valuation is on the Special Assumption that, as at the date of valuation, the property has reached Practical Completion and has the benefit of the rent guarantee.
Compliance with Valuation Standards	<p>The valuations have been prepared in accordance with The RICS Valuation – Professional Standards (2012) (“the Red Book”).</p> <p>We confirm that we have sufficient current local and national knowledge of the particular property market 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, (“CBRE”) 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>
Assumptions	<p>The property details on which each valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as 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>
Variation from standard Assumptions	None.
Valuer	The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book.
Independence	The total fees, including the fee for this assignment, earned by CBRE (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.
Disclosure	It is confirmed that CBRE has previously valued some of the Properties for accounting purposes on behalf of Real Estate Venture Capital Management LLP. We do not consider that any conflict of interest arises for us in preparing the advice requested by the Company and the Company has confirmed this to us. We confirm that we do not have any material interest in the Company or any of the Properties. Copies of our conflict of interest checks have been retained within the working papers.

Reliance and Responsibility

This report has been prepared 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, consenting to its inclusion in the Registration Document.

For the purposes of Prospectus Rule 5.5.3R(2)(f), CBRE 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.

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.

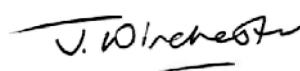
Yours faithfully



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Schedule of Capital Values (Market Values)

Properties held as an investment

Address	Freehold £	* Long Leasehold £	** Short Leasehold £	Total £
ABERDEEN, Centro	6,710,000			
BIRMINGHAM, Edge Apartments	8,940,000			
BIRMINGHAM, The Brook	12,410,000			
BRISTOL, 43 College Green		10,130,000		
CARDIFF, 9-10 Windsor Place and 9 Park Lane	9,610,000			
CARDIFF, Alwyn Court, Cranbrook Street	3,740,000			
EXETER, Picturehouse Apartments 69-73 Sidwell Street	11,522,000			
NOTTINGHAM, Talbot Studios	8,500,000			
SOUTHAMPTON, London Road Apartments, London Road	2,930,000	1,070,000		
Total	64,362,000	11,200,000		75,562,000

Properties in course of development

Address	Freehold £	* Long Leasehold £	** Short Leasehold £	Total £
EDINBURGH, Buccleuch Street	3,190,000			
SOUTHAMPTON, Brunswick House (the figure represents a 50 per cent. joint venture interest in the property)	1,800,000			
CARDIFF, Northgate House, Kingsway	5,370,000			
Total	10,360,000			10,360,000
Portfolio Total	74,722,000	11,200,000		85,922,000

* more than 50 years unexpired

** 50 years or less unexpired

Tenure	Freehold £	* Long Leasehold £	** Short Leasehold £	Total £
11 Freehold Properties	71,792,000			71,792,000
1 Long Leasehold Property		10,130,000		10,130,000
1 Part Freehold Part Leasehold Property	2,930,000	1,070,000		4,000,000
Portfolio Total	74,722,000	11,200,000		85,922,000

Schedule of Capital Values on the Special Assumption that Northgate House, Cardiff, has reached practical Completion and is fully let as at the date of valuation

Properties held as an investment

Address	Freehold £	* Long Leasehold £	** Short Leasehold £	Total £
ABERDEEN, Centro	6,710,000			
BIRMINGHAM, Edge Apartments	8,940,000			
BIRMINGHAM, The Brook	12,410,000			
BRISTOL, 43 College Green		10,130,000		
CARDIFF, 9-10 Windsor Place and 9 Park Lane	9,610,000			
CARDIFF, Alwyn Court, Cranbrook Street	3,740,000			
EXETER, Picturehouse Apartments				
69-73 Sidwell Street	11,522,000			
NOTTINGHAM, Talbot Studios	8,500,000			
SOUTHAMPTON, London Road Apartments, London Road	2,930,000	1,070,000		
Total	64,362,000	11,200,000		75,562,000

Properties in course of development

Address	Freehold £	* Long Leasehold £	** Short Leasehold £	Total £
EDINBURGH, Buccleuch Street	3,190,000			
SOUTHAMPTON, Brunswick House (the figure represents a 50% joint venture interest in the property)	1,800,000			
CARDIFF, Northgate House, Kingsway	5,600,000			
Total	10,590,000			10,590,000
Portfolio Total	74,952,000	11,200,000		86,152,000

* more than 50 years unexpired

** 50 years or less unexpired

Schedule of Market Values according to tenure

Tenure	Freehold £	* Long Leasehold £	** Short Leasehold £	Total £
11 Freehold Properties	72,022,000			72,022,000
1 Long Leasehold Property		10,130,000		10,130,000
1 Part Freehold Part Leasehold Property	2,930,000	1,070,000		4,000,000
Portfolio Totals	74,952,000	11,200,000		86,152,000

Scope of Work & Sources of Information

Sources of Information	We have carried out our work based upon information supplied to us by the Company, as set out within this report, which we have assumed to be correct and comprehensive.
The Properties	Our report contains a brief summary of the property details on which our valuation has been based.
Inspections	We have internally and externally inspected all of the properties between 21 October 2013 and 15 October 2014.
Areas	We have not measured the Properties but have relied upon the floor areas provided.
Environmental Matters	<p>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>
Repair and Condition	<p>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> <p>During our inspection, no major defects or serious items of disrepair were noted which would be likely to give rise to a substantial capital expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme. Our valuation is on the basis that there were no defects, items of disrepair or other matters that would materially affect our valuation at the Valuation Date.</p>
Town Planning	We have not undertaken planning enquiries. We assume the properties comply with all relevant statutory requirements including fire and building regulations.
Titles, Tenures and Lettings	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 Properties have been valued in accordance with the relevant provisions of the Prospectus Rules issued by the Financial Conduct Authority and the ESMA update of the CESR recommendations for the consistent implementation of the Commission Regulation (EU) No. 809/2204 implementing the Prospectus Directive.

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

Items of plant and machinery normally considered as landlord’s fixtures such as lifts, escalators, air conditioning central heating and other normal service installations have been treated as an integral part of the building and are included within our valuation.

Furthermore, a number of items that normally might be regarded as tenant’s fixtures and fittings – such as trade appliances, furniture and equipment – as well as soft goods considered necessary to generate the turnover and profit, are included in our valuation of the Property. The vacant possession valuation assumes that Properties are available for sale including all fixtures and fittings. We understand that fixtures, machinery and equipment are either owned, leased or under contract. We have made no adjustment to reflect the net present value of meeting any existing lease contracts in respect of the equipment. Unless stated otherwise within this report, we have assumed that any such leasing costs are reflected in the trading figures supplied to us, and that all

trade fixtures and fittings essential to the running of the Property as an operational entity would be capable of transfer as part of a sale of the building, and any necessary third party consents obtained.

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% of the floorspace 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. Our valuations reflect Multiple Dwellings Relief where applicable.

Property Details

Property	Description	Interest Held
ABERDEEN, Centro Court, Loch Street	<p>The property consists of a 5 storey purpose built student accommodation scheme which was completed in 2013. It has been finished to a high specification and provides 56 self-contained studios as well as good quality communal space. We have been informed that the property is 100 per cent. let for the 2014/15 academic year.</p> <p>The property is situated within Aberdeen city centre which provides a wide range of shops, bars and restaurants. In particular, the Bon Accord shopping centre is situated within a five minute walk of the property. The University of Aberdeen and Robert Gordon University are easily accessible by public transport with regular buses from the city centre. North East Scotland College is also situated within a short walk on Loch Street.</p>	Ownership
BIRMINGHAM, Edge Apartments, Bristol Road	<p>The property recently reached Practical Completion on 11 August 2014 and consists of a purpose built student accommodation scheme providing 64 single studios and 13 en-suite rooms within cluster flats which will be let directly to students. There will also be two ground floor retail units. The first retail unit has been pre-let to Sainsbury's and the second is currently vacant and un-let.</p> <p>The property is located in Selly Oak, approximately 3.7 miles to the south of Birmingham city centre. It is a short distance from Birmingham University and a 5 minute walk to Selly Oak train station which provides regular services to the city centre and the other university campuses in the city including Birmingham City University and Aston University.</p>	Freehold

Property	Description	Interest Held
BIRMINGHAM, The Brook	<p>The property consists of a purpose built student accommodation scheme which was constructed in the mid-2000s. There are a total of 106 self-contained studios. A ground floor retail unit has been sold off on a lease expiring on 11 October 3010 at a peppercorn rent.</p> <p>The property is located in Selly Oak, approximately 3.7 miles to the south of Birmingham city centre. The property is situated approximately 5 minutes walking distance from Birmingham University. It is also a 5 minute walk to Selly Oak train station which provides regular services to the city centre and the other university campuses in the city including Birmingham City University and Aston University. The surrounding area is mixed in character with surrounding uses including retail, purpose built student accommodation and residential. There is a good range of local amenities including convenience stores, pubs and take-aways.</p>	Freehold
BRISTOL, College Green, 43 College Green	<p>The property consists of a student accommodation scheme with three ground floor retail units. The building was constructed in the 1950s and the upper floors were converted to student accommodation in 2011. The student accommodation provides 48 two bedroom studios and 36 single studios. All of the bedrooms are directly let to students on assured shorthold tenancies. The three ground floor retail units are fully let to WM Morrison and two local tenants. The property is held on a 150 year ground lease commencing 26 August 2010.</p> <p>The property is situated in a prime location for student housing in Bristol, approximately 0.3 miles west of the city centre. It is also 0.6 miles south west of Cabot Circus shopping centre and 0.8 miles north west of Bristol Temple Meads mainline railway station. The property is well located for students attending either the University of Bristol or the University of the West of England ("UWE"). The University of Bristol is located to the north west, with the Senate Building approximately 0.7 miles away. Students can connect to UWE via regular bus services to the campus from the city centre.</p>	Leasehold

Property	Description	Interest Held
CARDIFF, Summit House, 9-10 Windsor Place and 9 Park Lane	<p>The property consists of a student accommodation scheme with a ground floor retail unit. The building was constructed in the 1970s and the upper floors were converted to student accommodation in 2012. A new purpose built extension was also constructed to the rear. The student accommodation provides 65 studios and 22 two bedroom apartments let directly to students. The ground floor retail unit is fully let to a local tenant.</p> <p>The property is situated on Windsor Place, immediately to the north east of the city centre in a mixed use area. Queen Street, the prime retailing pitch in Cardiff which includes the Capitol Shopping Centre, is located 50m to the south east. The main Cardiff University campus is situated approximately 300m to the north and Cardiff Metropolitan University is situated approximately 400m to the east.</p>	Freehold
CARDIFF, Northgate House, Kingsway	<p>The property consists of a student accommodation scheme with two retail units on the ground floor and the lower ground floor. The property is currently undergoing a development with practical completion due to take place in January 2015. Part of the student scheme has been occupied since September 2014. When completed, the total scheme will comprise 67 bedspaces (48 studios and 19 en-suite room in 3 and 4-bedroom cluster flats). One retail unit on the ground floor is subject to a long lease at a peppercorn rent and the lower ground unit is subject to an Agreement for Lease.</p> <p>The property is situated in the city centre opposite the Castle and close to Queen Street, which is one of the prime retail areas of Cardiff. The main Cardiff University campus and Cardiff Metropolitan University are situated within a walking distance.</p>	Freehold
CARDIFF, Alwyn Court, Cranbrook Street	<p>The property comprises a student housing scheme of 51 bedspaces (24 studios and 27 beds in 3 and 4 bed cluster flats). The property was new for September 2012.</p> <p>The property is located in Cathays, the area popular with students and within a short walk from the University of Cardiff City campus.</p>	Freehold

Property	Description	Interest Held
EXETER, Picturehouse Apartments, 69-73 Sidwell Street	<p>The property was completed in April 2014 and consists of a purpose built student accommodation scheme and a ground floor retail unit. The student accommodation provides 74 studios and 28 en-suite bedrooms in cluster flats. All of the bedrooms are directly let to students on assured shorthold tenancies. The ground floor retail unit is fully let to Tesco Stores Ltd.</p> <p>The property is situated on Sidwell Street adjacent to the city's Odeon Cinema, on the edge of Exeter City Centre. The surrounding properties along Sidwell Street are predominately retail. The University of Exeter's main Streatham Campus is situated approximately 0.5 miles to the north west and the smaller St. Luke's Campus is situated approximately 0.5 miles to the south east.</p>	<p>Freehold</p>
NOTTINGHAM, Talbot Studios	<p>The property provides 98 self-contained studios located within a modern 4-6 storey building and adjacent Grade II listed refurbished period three-storey building (10 studios) detached building. The buildings share a courtyard. The scheme was completed in 2012.</p> <p>The property is situated on the verge of Nottingham city centre which provides a wide range of shops, bars and restaurants. The property is close to the Nottingham Trent University ("NTU") City campus. Other campuses of the NTU and Nottingham University are well connected by public transport with regular buses.</p>	<p>Freehold</p>

Property	Description	Interest Held
SOUTHAMPTON, London Road Apartments, 40-42B London Road	<p>The property provides a 46-bedroom residence arranged in self-contained studios and twodios. The property occupies first to third floors above two retail units (which are held under separate titles). The scheme was opened in 2012 offering 34 beds and in 2014 has been extended to offer an additional 12 studios (8 studios and 2 twodios). The scheme provides good quality student accommodation. However, it does not offer any communal space apart from a roof terrace at the rear.</p> <p>The property is situated on London Road, in a prime location for Southampton Solent University, within Southampton city centre. The University of Southampton is located 1.8 miles north of the scheme, and can be reached in 15 minutes via the Uni-Link bus service.</p>	Part Freehold/ Part Long Leasehold
EDINBURGH, Land to the rear of the former Odeon Cinema, Buccleuch Street	<p>The property consists of a site with planning consent for the demolition of the existing structures and the development of 102 bedrooms of student accommodation. The scheme will be developed by Cruden Homes Ltd in time for the start of the 2016/2017 academic year. It has been contractually agreed between the Company and the developer that they will deliver a revised scheme comprising 86 student accommodation bedrooms within a mix of 5 four bedroom apartments, 60 studios and 6 accessible studios. The planning authority have confirmed that planning consent is not required for the revised scheme.</p> <p>The site is extremely well located for the University of Edinburgh being situated directly opposite the University's Central Area campus. The property is subject to a sub-station lease with a term of 175 years and a current rent of £1 per annum.</p>	Ownership

Property	Description	Interest Held
SOUTHAMPTON, Brunswick House, 8-13 Brunswick Place	<p data-bbox="558 219 1117 465">The property consists of a 13 storey 1970s mixed use building with 34,772 sq ft of office space above five ground floor retail units totalling 9,336 sq ft. The upper floors benefit from excellent views over Southampton and East Park. There is also a car park to the rear of the property with 41 spaces.</p> <p data-bbox="558 499 1117 813">All of the office space is vacant and all of the retail space is vacant with the exception of Unit 13 which is let to Brunswick Salon. There is also a rooftop telecoms aerial which is let to Cable & Wireless. We understand that vacant possession of Unit 13 and the rooftop space occupied by the aerial is not required for the proposed development.</p> <p data-bbox="558 846 1117 1115">Planning consent has been granted for change of use of the property to ground floor commercial use (Classes A1-A5) with 156 bedrooms of student accommodation above. We understand that the Company intends to apply for planning consent for a higher density scheme as a non-material amendment.</p> <p data-bbox="558 1149 1117 1249">For accounting purposes, we have valued the property based on the existing planning consent.</p> <p data-bbox="558 1283 1117 1451">The Company is in the process of applying for a non-material amendment for a 175-bed scheme, but this has not yet been approved and the revised scheme is subject to change.</p> <p data-bbox="558 1485 1117 1753">The property is very well located within Southampton city centre and would be convenient for students studying at Southampton University or Southampton Solent University. There are a good range of amenities in the immediate area and the railway station is approximately 0.7 miles to the south west.</p> <p data-bbox="558 1787 1117 1886">Market value of £1,800,000 reported herein reflects a 50 per cent. share in the joint venture.</p>	Freehold

PART 7

REIT STATUS AND TAXATION

1. INTRODUCTION

1.1 *Principal advantage of REIT status*

The principal advantage of REIT status is that the Group will be exempt from UK corporation tax on both rental profits and chargeable gains on disposals of properties held by the Property Rental Business. This will remove the effective double tax charge currently suffered by many investors in UK companies (see paragraph 2.1 of this Part 7 for more information).

1.2 *Principal disadvantages of REIT status*

The principal disadvantages of REIT status are as follows:

- 1.2.1 in order for it to remain a REIT, the Group and the Company will have to comply with the various tests outlined in paragraph 2.2 of this Part 7 on an ongoing basis; and
- 1.2.2 withholding tax of 20 per cent. must be deducted from certain distributions made to certain Shareholders (see paragraph 3 of this Part 7 for further details).

Overall, the Board believes that the advantage of REIT status outweighs the disadvantages

1.3 *Dividend policy under REIT regime*

The Group will have to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits (broadly, calculated using normal UK tax rules) of the Property Rental Business for each accounting period. The Board believes that the Company's dividend policy will enable the Group to meet this minimum distribution requirement.

1.4 *The Substantial Shareholder rule*

Under the REIT Regime, a tax charge may be levied on the Group if the Company makes a distribution to a Substantial Shareholder, unless the Company has taken "reasonable steps" to avoid such a distribution being paid. This tax charge may be imposed only if, after joining the REIT regime, the Company pays a dividend in respect of a Substantial Shareholding and the dividend is paid to a person who is a Substantial Shareholder. The charge is not triggered merely because a Shareholder is a Substantial Shareholder, or if the person beneficially entitled to the dividend is a Substantial Shareholder. The amount of the charge is calculated by reference to the whole dividend paid to the Substantial Shareholder, and not just that part of the dividend attributable to Shares held by the Substantial Shareholder in excess of 10 per cent. of the Company's issued share capital.

A summary of the Articles is set out at paragraph 7 of Part 8 and the relevant provisions intended to give the Board the powers it needs to demonstrate to HMRC that "reasonable steps" have been taken to avoid making distributions to Substantial Shareholders are set out in paragraphs 4 and 5 of this Part 7.

1.5 *Non-close company condition*

As mentioned below in paragraph 1.6 of this Part 7, the Company must not be a close company other than only by virtue of having as a participator an institutional investor. An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership, a registered social landlord or an open-ended investment company. However the Company may be close for tax purposes for up to three years after joining the regime. If the non-close company requirement is not met at the start of the first day after the end of the first three-year period, the Group will lose its REIT status at the end of the three-year period. If the non-close company requirement is not met at any time after the first day following the first three-year period, the Group will cease to be a REIT at the end of the accounting period preceding the accounting period in which the breach began or, if later, the end of the first three-year period. Loss of REIT status would have a material impact on the Group because of the loss of tax benefits conferred by the REIT regime.

Although the Board does not expect the close company condition to be breached in the ordinary course of events, there is a risk that the Company may fail to meet this condition for reasons beyond its control. However, under certain circumstances a breach of this condition may be disregarded if the reason for the breach is because the Company becomes a member of another group REIT or if the breach is the result of anything done (or not done) by a person other than the Company and the Company remedies the breach before the end of the accounting period after that in which the breach began.

1.6 *Exit from the REIT regime*

The Company can give notice to HMRC at any time that it wants the Group to leave the REIT regime. The Board retains the right to decide to exit the REIT regime at any time in the future without the consent of Shareholders if it considers this to be in the best interests of the Group and the Shareholders.

If the Group voluntarily leaves the REIT regime within ten years of joining and disposes of any property or other asset that was involved in its qualifying Property Rental Business within two years of leaving, any uplift in the base cost of any property held by the Group as a result of the deemed disposal on entry into the REIT regime, movement into the ringfence or exit from the REIT regime would be disregarded in calculating the gain or loss on the disposal. It is important to note that the Company cannot guarantee continued compliance with all of the REIT conditions and that the REIT regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT regime if:

- 1.6.1 it regards a breach of the conditions (including failure to satisfy the conditions relating to the Property Rental Business), or an attempt by the Group to avoid tax, as sufficiently serious;
- 1.6.2 the Company or the Group has committed a certain number of breaches of the conditions within a specified period; or
- 1.6.3 HMRC has given members of the Group two or more notices in relation to the avoidance of tax by the Company within a ten year period.

The Group may lose its status as a REIT from the first day of joining the REIT regime if during the first accounting period certain conditions have not been met. In such circumstances the REIT status may not apply for the whole period.

In addition, the Group would automatically lose REIT status if any of the following were to occur:

- 1.6.4 the conditions for REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached;
- 1.6.5 the Company ceases to be UK resident for tax purposes;
- 1.6.6 the Company becomes dual resident for tax purposes; or
- 1.6.7 the Company becomes an open-ended company.

Future changes in legislation may cause the Group to lose its REIT status.

If the Group is required to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how the Group should be taxed, including in relation to the date on which the Group is treated as exiting the REIT regime.

Shareholders should note that it is possible that the Group could lose its status as a REIT as a result of actions by third parties (for example, if the Company is taken over by a company that is not itself a REIT).

2. THE REIT REGIME

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Company's understanding of current UK law and HMRC practice, each of which is subject to change. They do not constitute advice.

2.1 Overview

The REIT regime is intended to encourage greater investment in the UK property market and follows similar legislation in other European countries, as well as the long-established regime in the United States.

Investing in property through a corporate investment vehicle (such as a UK company) has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholders (but not most UK companies) effectively suffer tax twice on the same income: first, indirectly, when the vehicle pays UK direct tax on its profits; and secondly, directly (but with the benefit of a tax credit), when the shareholder receives a dividend. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT in a manner they do not suffer if they invest directly in the property assets.

Provided certain conditions and tests are satisfied (see "Qualification as a REIT" below), REITs will not pay UK corporation tax on the profits of their Property Rental Business. Instead, distributions in respect of the Property Rental Business will be treated for UK tax purposes as property income in the hands of shareholders. However, UK corporation tax will still be payable in the normal way in respect of income and gains from any Residual Business (generally including any property trading business) not included in the Property Rental Business.

While within the REIT regime, the Property Rental Business will be treated as a separate business for UK corporation tax purposes to 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).

A REIT will be required to distribute to its shareholders (by way of a dividend in cash or by way of an issue of share capital in lieu of a cash dividend), on or before the filing date for the REIT's tax return for the accounting period in question, at least 90 per cent. of the income profits (calculated using normal tax rules) of the Property Rental Business arising in each accounting period. Where a stock dividend has been issued and a market value of the stock dividend has had to be used which causes the distribution requirement not to be met, an extended time limit of up to six months beginning with the filing date applies for complying with the distribution requirement. Failure to meet this requirement will result in a UK corporation 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 tax purposes. This period can differ from a company's accounting period for other purposes.

Subject to certain exceptions, PIDs 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 Shareholders after entry into the REIT regime are contained in paragraph 3 of this Part 7.

2.2 *Qualification as a REIT*

A group becomes a REIT by serving notice on HMRC on or before the date from which it wishes to come under the REIT regime. In order to qualify as a REIT, the Company and the Group must satisfy certain conditions set out in Part 12 of CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the Company and the Group must satisfy the conditions set out in paragraphs 2.2.1 to 2.2.4 below.

2.2.1 Company conditions

The principal company of a REIT must be a solely UK tax-resident company whose ordinary shares are admitted to trading on a recognised stock exchange, which includes the Main Market of the London Stock Exchange. Additionally, the principal company of a REIT must not be an open-ended investment company. After the first 3 year period, the principal company of a REIT must also not be a close company for UK tax purposes other than by virtue of having as a participator an institutional investor. Broadly, a close company, is a UK resident company controlled by five or fewer participants, or by participants who are directors. A participant is a person having a share or interest in the income or capital of a company. An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership, a registered social landlord or an open-ended investment company.

2.2.2 Share capital restrictions

The principal company of a REIT must have only one class of ordinary shares in issue and the only other shares it may issue are particular types of non-voting restricted preference shares.

2.2.3 Interest restrictions

The principal company of a REIT must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets. A loan is not treated as

carrying results-dependant interest by reason only that the terms of the loan provide for interest to reduce if the results improve or to increase if the results deteriorate. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

2.2.4 Conditions for the Property Rental Business

The Property Rental Business must satisfy the conditions summarised below in respect of each accounting period during which it is to be treated as a REIT:

- the Property Rental Business must, throughout the accounting period, involve at least three properties. A self-contained studio flat or a one to three bedroom flat within a residential block counts as a single property for these purposes;
- throughout the accounting period, no one property may represent more than 40 per cent. of the total value of all the properties involved in the Property Rental Business. Assets must be valued in accordance with IFRS, and at fair value when IFRS offers a choice between a cost basis and a fair value basis;
- at least 90 per cent. of the amounts shown in the financial statements of the group as income profits (broadly, calculated using normal tax rules) must be distributed to shareholders of the REIT in the form of a PID on or before the filing date for the REIT's tax return for the accounting period (the "**90 per cent. distribution test**"). For the purpose of satisfying the 90 per cent. distribution test, any dividend withheld in order to comply with the rule relating to Substantial Shareholders (as described in paragraph 2.3.2 below) will be treated as having been paid. The issue of stock dividends will count towards the 90 per cent. threshold;
- the income profits arising from the qualifying Property Rental Business must represent at least 75 per cent. of the company's total profits for the accounting period (the "**75 per cent. profits test**"). Profits for this purpose means profits before deduction of tax and excludes realised and unrealised gains and losses (for example, gains and losses on the disposal of property, and gains and losses on the revaluation of properties) calculated in accordance with IFRS; and
- 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 group (the "**75 per cent. assets test**"). Cash held on deposit and gilts may be added to the value of assets relating to qualifying Property Rental Business for the purpose of meeting the 75 per cent. assets test. Non-cash assets must be valued in accordance with IFRS and at fair value where IFRS offers a choice of valuation between cost basis and fair value. In applying this test, no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically).

2.2.5 Investment in other REITs

Any distribution of profits or gains of the Property Rental Business by the principal company of a group UK REIT received by another REIT are treated as tax exempt

profits of the Property Rental Business of the investing REIT. The investing REIT would be required to distribute 100 per cent. of such distributions to its shareholders. For the purposes of the 75 per cent. assets test, the investment by a REIT in the shares of another REIT will be included as an asset of the investing REIT's Property Rental Business.

2.3 *Effect of becoming a REIT*

2.3.1 Tax savings

As a REIT, a group will not pay UK corporation tax on profits and gains from the Property Rental Business. UK corporation tax will still apply in the normal way in respect of the Residual Business which includes certain trading activities, incidental letting in relation to property trades and letting of administrative property which is temporarily surplus to requirements.

A REIT would also continue to pay indirect taxes such as VAT, stamp duty land tax and stamp duty and payroll taxes (such as national insurance) in the normal way.

2.3.2 The Substantial Shareholder rule

A REIT will become subject to an additional tax charge if it pays a dividend to, or in respect of, a Substantial Shareholder. The additional tax charge will be calculated by reference to the whole dividend paid to a Substantial Shareholder, and not just by reference to the proportion which exceeds the 10 per cent. threshold. It should be noted that this restriction only applies to shareholders that are bodies corporate and to certain entities which are deemed to be bodies corporate for tax purposes in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement or in accordance with such a double taxation agreement. It does not apply to nominees.

This tax charge will not be incurred if the REIT has taken "reasonable steps" to avoid paying dividends to such a shareholder. HMRC guidance describes certain actions that a REIT may take to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the REIT's articles of association to address this requirement. The Articles of Association are consistent with such provisions.

2.3.3 Dividends

When a REIT pays a dividend (including a stock dividend), that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution test. If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business. Any remaining balance of the dividend (or other distribution) will be deemed to be a PID: firstly, in respect of the income profits out of which a PID can be paid and which have not been distributed in full; and secondly, a PID paid out of certain chargeable gains which are exempt from tax by virtue of the REIT regime. Any remaining balance will be attributed to any other profits.

2.3.4 Interest cover ratio

A tax charge will arise if, in respect of any accounting period, the ratio of the Group's income profits (before capital allowances) in respect of its Property Rental Business to the financing costs incurred in respect of the Property Rental Business

is less than 1.25. The ratio is based on the cost of debt finance taking into account interest, amortisation of discounts or premiums and the financing expense implicit in payments made under finance leases. The corporation tax charge is capped at a maximum of 20 per cent. of the profits of the Property Rental Business for the accounting period in question.

2.3.5 Certain tax avoidance arrangements

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

2.3.6 Movement of assets in and out of the Property Rental Business

In general, where an asset owned by a REIT 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 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, except for capital allowances purposes. Special rules apply to disposals by way of a trade and of development property.

2.3.7 Joint ventures

If a REIT is beneficially entitled to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding-up, that joint venture company 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 REIT may, by giving notice to HMRC, elect for the relevant proportion of the assets and income of the JV company to be included in the Property 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, the 75 per cent. profits test and the 75 per cent. assets test to the extent of a REIT’s interest in the JV company. Note that these rules also apply to joint venture groups.

2.3.8 Acquisitions and takeovers

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Property Rental Business and chargeable gains on disposal of properties in the Property Rental Business.

The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT and will therefore be treated as leaving the REIT regime at the end of its accounting period preceding the takeover and ceasing from the end of this accounting period to benefit from tax exemptions on the profits of its Property Rental Business and chargeable 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 UK corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax-free as they are deemed to have been made at a time when the company was still in the REIT regime and future chargeable gains on the relevant

assets will, therefore, be calculated by reference to a base cost equivalent to this market value. If the company 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.

3. DESCRIPTION OF THE REIT PROVISIONS INCLUDED IN THE ARTICLES

3.1 *Introduction*

The Articles contain provisions designed to enable the Company to demonstrate to HMRC that it has taken “reasonable steps” to avoid paying a dividend (or making any other distribution) to any Substantial Shareholder.

If a distribution is paid to a Substantial Shareholder and the Company has not taken reasonable steps to avoid doing so, the Company would become subject to a UK corporation tax charge.

The Articles contain special articles for this purpose (the “**Special Articles**”). The text of the Special Articles is set out in paragraph 5 of this Part 7.

The Special Articles:

- provide directors with powers to identify its Substantial Shareholders (if any);
- prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met;
- allow dividends to be paid on Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Shares; and
- seek to ensure that if a dividend is paid on Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in the preceding paragraph are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend.

The effect of the Special Articles is explained in more detail below.

3.2 *Identification of Substantial Shareholders*

The share register of the Company records the legal owner and the number of Shares they own but does not identify the persons who are beneficial owners of the Shares or are entitled to control the voting rights attached to the Shares or are beneficially entitled to dividends. While the requirements for the notification of interests in shares provided in Part VI of the Companies Act and the Board’s rights to require disclosure of such interests (pursuant to Part 22 of the Companies Act and article 4 of the Articles) should assist in the identification of Substantial Shareholders, those provisions are not on their own sufficient.

Accordingly, the Special Articles require a Substantial Shareholder and any registered Shareholder holding Shares on behalf of a Substantial Shareholder to notify the Company if his Shares form part of a Substantial Shareholding. Such a notice must be given within two business days. The Special Articles give the Board the right to require any person to provide information in relation to any Shares in order to determine whether the Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which is seven days after a request is made or such other period as the Board may decide), the Board is entitled to impose sanctions, including withholding dividends (as described in paragraph 4.3 below) and/or requiring the transfer of the Shares

to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph 4.6 below).

3.3 *Preventing payment of a dividend to a Substantial Shareholder*

The Special Articles provide that a dividend will not be paid on any Shares that the Board believes may form part of a Substantial Shareholding unless the Board is satisfied that the Substantial Shareholder is not beneficially entitled to the dividend.

If in these circumstances payment of a dividend is withheld, the dividend will be paid subsequently if the Board is satisfied that:

- the Substantial Shareholder concerned is not beneficially entitled to the dividends (see also paragraph 4.4 below);
- the shareholding is not part of a Substantial Shareholding;
- all or some of the Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, a Substantial Shareholder (in which case the dividends will be paid to the transferee); or
- sufficient Shares have been transferred (together with the right to the dividends) such that the Shares retained are no longer part of a Substantial Shareholding (in which case the dividends will be paid on the retained Shares).

For this purpose 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.

3.4 *Payment of a dividend where rights to it have been transferred*

The Special Articles provide that dividends may be paid on Shares that form part of a Substantial Shareholding if the Board is satisfied that the right to the dividend has been transferred to a person who is not, and does not thereby become, a Substantial Shareholder and the Board may be satisfied that the right to the dividend has been transferred if it receives a certificate containing appropriate confirmations and assurances from the Substantial Shareholder. Such a certificate may apply to a particular dividend or to all future dividends in respect of Shares forming part of a specified Substantial Shareholding, until notice rescinding the certificate is received by the Company. A certificate that deals with future dividends will include undertakings by the person providing the certificate:

- to ensure that the entitlement to future dividends will be disposed of; and
- to inform the Company immediately of any circumstances which would render the certificate no longer accurate.

The Directors may require that any such certificate is copied or provided to such persons as they may determine, including HMRC.

If the Board believes a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described in paragraph 3 above). In addition, the Board may require a Substantial Shareholder to pay to the Company the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to a Substantial Shareholder in reliance on the inaccurate

certificate. The Board may require a sale of the relevant Shares and retain the amount claimed from the proceeds.

Certificates provided in the circumstances described above will be of considerable importance to the Company in determining whether dividends can be paid. If the Company suffers loss as a result of any misrepresentation or breach of undertaking given in such a certificate, it may seek to recover damages directly from the person who has provided it. Any such tax may also be recovered out of dividends to which the Substantial Shareholder concerned may become entitled in the future.

The effect of these provisions is that there is no restriction on a person becoming or remaining a Substantial Shareholder provided that the person who does so makes appropriate arrangements to divest itself of the entitlement to dividends.

3.5 *Trust arrangements where rights to dividends have not been disposed of by Substantial Shareholder*

The Special Articles provide that if a dividend is in fact paid on Shares forming part of a Substantial Shareholding (which might occur, for example, if a Substantial Shareholding is split among a number of nominees and is not notified to the Company prior to a dividend payment date) the dividends so paid are to be held on trust by the recipient for any person (who is not a Substantial Shareholder) nominated by the Substantial Shareholder concerned. The person nominated as the beneficiary could be the purchaser of the Shares if the Substantial Shareholder is in the process of selling down their holding so as not to cause the Company to breach the Substantial Shareholder rule. If the Substantial Shareholder does not nominate anyone within 12 years, the dividend concerned will be held on trust for the Company or such charity as the Board may nominate.

If the recipient of the dividend passes it on to another without being aware that the Shares in respect of which the dividend was paid were part of a Substantial Shareholding, the recipient will have no liability as a result. However, the Substantial Shareholder who receives the dividend should do so subject to the terms of the trust and as a result may not claim to be beneficially entitled to those dividends.

3.6 *Mandatory sale of Substantial Shareholdings*

The Special Articles also allow the Board to require the disposal of Shares forming part of a Substantial Shareholding if:

- a Substantial Shareholder has been identified and a dividend has been announced or declared and the Board has not been satisfied that the Substantial Shareholder has transferred the right to the dividend (or otherwise is not beneficially entitled to it);
- there has been a failure to provide information requested by the Board; or
- any information provided by any person proves materially inaccurate or misleading.

In these circumstances, if the Company incurs a charge to tax as a result of one of these events, the Board may, instead of requiring the Shareholder to dispose of the Shares, arrange for the sale of the relevant Shares and for the Company to retain from the sale proceeds an amount equal to any tax so payable.

3.7 *Takeovers*

The Special Articles do not prevent a person from acquiring control of the Company through a takeover or otherwise, although as explained above, such an event may cause the Company to cease to qualify as a REIT.

3.8 *Other*

The Special Articles also give the Company power to require any Shareholder who applies to be paid dividends without any tax withheld to provide such certificate as the Board may require to establish the Shareholder's entitlement to that treatment.

The Special Articles may be amended by special resolution passed by the Shareholders in the future, including to give powers to the Directors to ensure that the Company can comply with the close company condition described in paragraph 2.2.1 of this Part 7, which powers may include the ability to arrange for the sale of Shares on behalf of Shareholders.

4. **THE SPECIAL ARTICLES**

The following sets out in full the Special Articles (being Articles 3 to 8) contained in the Company's Articles:

REAL ESTATE INVESTMENT TRUST

3. CARDINAL PRINCIPLE

3.1 It is a cardinal principle that, for so long as the Company qualifies as a REIT or is the principal company of a group REIT for the purposes of Part 12 of the CTA 2010, it should not be liable to pay tax under Section 551 of the CTA 2010 on or in connection with the making of a Distribution.

3.2 Articles 4 to 8 support such cardinal principle by, among other things, imposing restrictions and obligations on the members and, indirectly, certain other persons who may have an interest in the Company, and shall be construed accordingly so as to give effect to such cardinal principle.

4. NOTIFICATION OF SUBSTANTIAL SHAREHOLDER AND OTHER STATUS

4.1 Each member and any other relevant person shall serve notice in writing on the Company at the Office on:

4.1.1 him becoming 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 member(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the Directors may require from time to time);

4.1.2 him becoming a Relevant Registered Shareholder (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

4.1.3 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.

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 change in relevant particulars or within such shorter or longer period as the Directors may specify from time to time.

- 4.2 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 at the Office 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.

5. DISTRIBUTIONS IN RESPECT OF SUBSTANTIAL SHAREHOLDINGS

- 5.1 In respect of any Distribution, the Directors may, if the Directors determine that the condition set out in Article 5.2 is satisfied in relation to any Shares, withhold payment of such Distribution on or in respect of such Shares. Any Distribution so withheld shall be paid as provided in Article 5.3 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 5.2 The condition referred to in Article 5.1 is that, in relation to any Shares and any Distribution to be paid or made on and in respect of such Shares:
- 5.2.1 the Directors believe that such Shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and
- 5.2.2 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.
- 5.3 If a Distribution has been withheld on or in respect of any Shares in accordance with Article 5.1, it shall be paid as follows:
- 5.3.1 if it is established to the satisfaction of the Directors that the condition in Article 5.2 is not satisfied in relation to such Shares, in which case the whole amount of the Distribution withheld shall be paid; and
- 5.3.2 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
- 5.3.3. if the Directors are satisfied that as a result of a transfer of interests in Shares referred to in Article 5.3.2 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 Article 5.3, 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.

- 5.4 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.
- 5.5 The Directors may withhold payment of a Distribution on or in respect of any Shares if any notice given by the Directors pursuant to Article 5.2 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 Article 5.1 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 5.6 If the Directors decide that payment of a Distribution should be withheld under Article 5.1 or Article 5.5, they shall within seven Business Days give notice in writing of that decision to the Relevant Registered Shareholder.
- 5.7 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 Article 7.2 or out of any subsequent Distribution in respect of the Shares to such person or to the members 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).

6. DISTRIBUTION TRUST

- 6.1 If a Distribution is paid in respect of a Substantial Shareholding 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 Article 6.2 in such proportions as the relevant Substantial Shareholder shall in the nomination direct, 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 for such charity as may be nominated by the Directors from time to time.
- 6.2 The relevant Substantial Shareholder of Shares 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 Article 6.1 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 6.2 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 Article 6.1 the trustee of the trust, the nomination shall not take effect until it is delivered to the person who is the trustee.
- 6.3 Any income arising from a Distribution which is held on trust under Article 6.1 shall until the earlier of (i) the making of a valid nomination under Article 6.2 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.

- 6.4 No person who by virtue of Article 6.1 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- 6.5 No person who by virtue of Article 6.1 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.

7. OBLIGATION TO DISPOSE

- 7.1 If at any time, the Directors believe that:

- 7.1.1 in respect of any Distribution declared or announced, the condition set out in Article 5.2 is satisfied in respect of any Shares in relation to that Distribution; or
- 7.1.2 a notice given by the Directors pursuant to Article 4.2 in relation to any Shares has not been complied with to the satisfaction of the Directors within the period specified in such notice; or
- 7.1.3 any information, certificate or declaration provided by a person in relation to any Shares for the purposes of this Article 7.1 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 Article 5.2 no longer to be satisfied. The Directors may, if they think fit, withdraw a Disposal Notice.

- 7.2 If:

- 7.2.1 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
- 7.2.2 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 Share and, in the case of Shares 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.

- 7.3 Any sale pursuant to Article 7.2 above 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.

7.4 The net proceeds of the sale of any Share under Article 7.2 (less any amount to be retained pursuant to Article 5.5 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant Share 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.

7.5 The title of any transferee of Shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this Article 7.

8. GENERAL

8.1 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.

8.2 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 Articles 3 to 8 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 Articles 3 to 8 shall be binding on all persons and shall not be open to challenge on any ground whatsoever.

8.3 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 member or any other person, for identifying or failing to identify any person as a Substantial Shareholder or a Relevant Registered Shareholder.

8.4 The Directors shall not be obliged to serve any notice required under Articles 3 to 8 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 Articles 3 to 8 shall not prevent the implementation of or invalidate any procedure under Articles 3 to 8.

8.5 The provisions of Articles 161 to 166 shall apply to the service upon any person of any notice required by Articles 3 to 8. Any notice required by Articles 3 to 8 to be served upon a person who is not a member or upon a person who is a member but whose address is not 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 member 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.

8.6 Any notice required or permitted to be given pursuant to Articles 3 to 8 may relate to more than one Share and shall specify the Share or Shares to which it relates.

8.7 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.

8.8 Any of Articles 3 to 8 may be amended by special resolution from time to time, including to give powers to the Directors to take such steps as they may require in order to ensure that the Company can satisfy Condition D of Section 528 of the CTA 2010 which relates to

close company status, which powers may include the ability to arrange for the sale of Shares on behalf of members.

- 8.9 Where any certificate or declaration may be or is required to be provided by any person (including, without limitation, a Distribution Transfer Certificate) pursuant to any of Articles 3 to 8, such certificate or declaration may be required by the Directors (without limitation):
- 8.9.1. to be addressed to the Company, the Directors or such other persons as the Directors may determine (including HMRC);
 - 8.9.2 to include such information as the Directors consider is required for the Company to comply with any Reporting Obligation;
 - 8.9.3 to contain such legally binding representations and obligations as the Directors may determine;
 - 8.9.4 to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;
 - 8.9.5 to be copied or provided to such persons as the Directors may determine (including HMRC); and
 - 8.9.6 to be executed in such form (including as a deed or deed poll) as the Directors may determine.

The provisions of Articles 3 to 8 shall apply notwithstanding any provisions to the contrary in any other Article (including, without limitation, Articles 147 to 159)."

PART 8

GENERAL INFORMATION

1. THE COMPANY

- 1.1 The Company was incorporated in England and Wales on 11 February 2014 with registered number 08886906 as a public company limited by shares under the Companies Act. The Company was incorporated with the name London Cornwall Student REIT plc and on 21 March 2014 changed its name to Empiric Student Property plc. The Company has an indefinite life.
- 1.2 The principal place of business and the registered office of the Company is 6-8 James Street, London W1U 1ED with telephone number +44 (0)20 3772 2780.
- 1.3 The principal legislation under which the Company operates is the Companies Act. The Company is not regulated as a collective investment scheme by the FCA. However, the Shares are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange Main Market. The Company and Shareholders are subject to the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.
- 1.4 The Company's accounting period ends on 30 June of each year. The first accounting period will end on 30 June 2015. The annual report and accounts will be prepared in Sterling according to the accounting standards laid out under IFRS.
- 1.5 On 30 April 2014, the Company was granted a certificate under Section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.6 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.
- 1.7 As at 29 October 2014 (being the latest practicable date prior to publication of this Registration Document), the Company had 8 employees (including the Executive Directors). Details of the Company's interests in real property are contained in Part 2 of this Registration Document.

2. THE GROUP

- 2.1 The Company is the holding company of the Group and has the following subsidiaries (all of which are incorporated in England and Wales):

<i>Name</i>	<i>Principal activity</i>	<i>Proportion of ownership interest %</i>
Empiric Investments (One) Limited	Intermediate holding company	100
Empiric Investments (Two) Limited	Intermediate holding company	100
Empiric (Edge Apartments) Limited	Property holding company	100*
Empiric (College Green) Limited	Property holding company	100*
Empiric (Picturehouse Apartments) Limited	Property holding company	100*
Empiric (Summit House) Limited	Property holding company	100*
Empiric (Buccleuch Street) Limited	Property holding company	100
Empiric (St Peter Street) Limited	Property holding company	100
Empiric (Birmingham) Limited	Property holding company	100*
Empiric (London Road) Limited	Property holding company	100*
Empiric (Talbot Studios) Limited	Property holding company	100*
Empiric (Centro Court) Limited	Property holding company	100*
Empiric (Alwyn Court) Limited	Property holding company	100**
Empiric (Northgate House) Limited	Property holding company	100**
Empiric (Snow Island) Limited	Property holding company	100
Empiric Student Property Trustees Limited	Trustee of the EBT	100
Empiric (Developments) Limited	Development management company	100

* held by Empiric Investments (One) Limited

** held by Empiric Investments (Two) Limited

In addition, the Company has the following interests in two joint venture development companies. The remaining 50 per cent. of the shares in each company are held by KH II Estates 117 Limited, a company advised by Revcap.

<i>Name</i>	<i>Principal activity</i>	<i>Proportion of ownership interest %</i>
Empiric (Southampton) Limited	Joint venture development company	50
Empiric (Glasgow) Limited	Joint venture development company	50

- 2.2 Further information in relation to each of the members of the Group (together with the joint venture development companies) is set out below:

2.2.1 *Empiric Investments (One) Limited ("EIOL")*

EIOL was incorporated and registered in England and Wales on 28 August 2014 under the Companies Act with registered number 9189111.

EIOL is an intermediate holding company and is a wholly owned subsidiary of the Company.

2.2.2 *Empiric Investments (Two) Limited ("EITL")*

EITL was incorporated and registered in England and Wales on 10 September 2014 under the Companies Act with registration number 9212619.

EITL is an intermediate holding company and is a wholly owned subsidiary of the Company.

2.2.3 *Empiric (College Green) Limited ("ECGL")*

ECGL was incorporated and registered in England and Wales on 2 May 2014 under the Companies Act with registered number 9023693. ECGL is a wholly owned subsidiary of EIOL. ECGL is the owner of the property known as College Green (Bristol). Further details of College Green (Bristol) are set out in Part 2 of this Registration Document.

2.2.4 *Empiric (Summit House) Limited ("ESHL")*

ESHL was incorporated and registered in England and Wales on 2 May 2014 under the Companies Act with registered number 9023691. ESHL is a wholly owned subsidiary of EIOL. ESHL is the owner of the property known as Summit House (Cardiff). Further details of Summit House (Cardiff) are set out in Part 2 of this Registration Document.

2.2.5 *Empiric (Edge Apartments) Limited ("EEAL")*

EEAL was incorporated and registered in England and Wales on 2 May 2014 under the Companies Act with registered number 9023794. EEAL is a wholly owned subsidiary of EIOL. EEAL is the owner of the property known as Edge Apartments (Birmingham). Further details of Edge Apartments (Birmingham) are set out in Part 2 of this Registration Document.

2.2.6 *Empiric (Picturehouse Apartments) Limited ("EPAL")*

EPAL was incorporated and registered in England and Wales on 2 May 2014 under the Companies Act with registered number 9023793. EPAL is a wholly owned subsidiary of EIOL. EPAL is the owner of the property known as Picturehouse Apartments (Exeter). Further details of Picturehouse Apartments (Exeter) are set out in Part 2 of this Registration Document.

2.2.7 *Empiric (Birmingham) Limited ("EBL")*

EBL was incorporated and registered on 6 June 2014 under the Companies Act with registered number 9074806. EBL is a wholly owned subsidiary of EIOL. EBL is the owner of the property known as The Brook (Birmingham). Further details of The Brook (Birmingham) are set out in Part 2 of this Registration Document.

2.2.8 *Empiric (Centro Court) Limited ("ECCL")*

ECCL was incorporated and registered in England and Wales on 3 July 2014 under the Companies Act with registered number 9114782. ECCL is a wholly owned subsidiary of EIOL. ECCL is the owner of the property known as Centro Court (Aberdeen). Further details of Centro Court (Aberdeen) are set out in Part 2 of this Registration Document.

2.2.9 *Empiric (London Road) Limited ("ELRL")*

ELRL was incorporated and registered in England and Wales on 28 August 2014 under the Companies Act with registered number 9190389. ELRL will on completion own the property known as London Road (Southampton). Further details of London Road (Southampton) are set out in Part 2 of this Registration Document.

2.2.10 *Empiric (Talbot Studios) Limited (“ETSL”)*

ETSL was incorporated and registered in England and Wales on 28 August 2014 under the Companies Act with registered number 9189088. ETSL is a wholly owned subsidiary of EIOL. ETSL is the owner of the property known as Talbot Studios (Nottingham). Further details of Talbot Studios (Nottingham) are set out in Part 2 of this Registration Document.

2.2.11 *Empiric (Alwyn Court) Limited (“EACL”)*

EACL was incorporated and registered in England and Wales on 10 September 2014 under the Companies Act with registered number 9212778. EACL is a wholly owned subsidiary of EITL. On completion, EACL will own the property known as Alwyn Court (Cardiff). Further details of Alwyn Court (Cardiff) are set out in Part 2 of this Registration Document.

2.2.12 *Empiric (Northgate House) Limited (“ENHL”)*

ENHL was incorporated and registered in England and Wales on 10 September 2014 under the Companies Act with registered number 9212776. ENHL is a wholly owned subsidiary of EITL. On completion, ENHL will own the property known as Northgate House (Cardiff). Further details of Northgate House (Cardiff) are set out in Part 2 of this Registration Document.

2.2.13 *Empiric (Snow Island) Limited (“ESIL”)*

ESIL was incorporated and registered in England and Wales on 30 September 2014 under the Companies Act with registered number 9242262. ESIL is a wholly owned subsidiary of the Company. ESIL is currently a dormant company.

2.2.14 *Empiric (Buccleuch Street) Limited (“EBSL”)*

EBSL was incorporated and registered in England and Wales on 30 June 2014 under the Companies Act with registered number 9106741. EBSL is a wholly owned subsidiary of the Company. EBSL is the owner of the property known as Buccleuch Street (Edinburgh). Further details of Buccleuch Street (Edinburgh) are set out in Part 2 of this Registration Document.

2.2.15 *Empiric (Glasgow) Limited (“EGL”)*

EGL was incorporated and registered in England and Wales on 21 May 2014 under the Companies Act with registered number 9050280.

EGL is 50 per cent. owned by the Company and 50 per cent. owned by KH II Estates 117 Limited (“KH II”). The shares were transferred to KH II on 28 August 2014, for the purposes of developing the property known as Willowbank (Glasgow) by way of a joint venture. Further details of Willowbank (Glasgow) are set out in Part 2 of this Registration Document.

2.2.16 *Empiric Student Property Trustees Limited (“ESPTL”)*

ESPTL was incorporated and registered in England and Wales on 2 May 2014 under the Companies Act with registered number 9023795. ESPTL is a wholly owned subsidiary of the Company. ESPTL acts as trustee of the EBT.

2.2.17 *Empiric (Developments) Limited ("EDL")*

EDL was incorporated and registered in England and Wales on 6 May 2014 under the Companies Act 2006 with registered number 9025058. EDL is a wholly owned subsidiary of the Company. EDL was established to receive development management fees from the Group's development projects and other ancillary income. EDL is currently engaged as the development manager in relation to the Willowbank and Brunswick House joint venture development projects.

2.2.18 *Empiric (St Peter Street) Limited ("EPSL")*

EPSL was incorporated and registered in England and Wales on 3 July 2014 under the Companies Act 2006 with registered number 9114779. EPSL is a wholly owned subsidiary of the Company. EPSL is currently a dormant company.

2.2.19 *Empiric (Southampton) Limited ("ESL")*

ESL was incorporated and registered in England and Wales on 6 June 2014 under the Companies Act with registered number 9074810.

ESL is 50 per cent. owned by the Company and 50 per cent. owned by KH II. The shares were transferred to KH II on 30 July 2014, for the purposes of developing the property known as Brunswick House (Southampton) by way of a joint venture. Further details of Brunswick House (Southampton) are set out in Part 2 of this Registration Document.

- 2.3 The Board intends that further companies and intermediate holding companies will be set up to hold any additional properties which may be acquired by the Group.

3. SHARE CAPITAL

- 3.1 The Company's share capital: (i) as at the date of this Registration Document, and (ii) as it will be immediately following Initial Admission (assuming 65 million Shares are issued in the Initial Issue) is as follows:

	Shares	
	Number	Aggregate nominal value (£)
(i) As at the date of this Registration Document	85,000,001	850,000.01
(ii) Immediately following Initial Admission	150,000,001	1,500,000.01

- 3.2 On incorporation on 11 February 2014, one Share was issued at £1.00 (fully paid) for the purposes of incorporation to Paul Hadaway as the subscriber to the Company's memorandum of association.

- 3.3 The following changes in the share capital of the Company have taken place between 11 February 2014 and the date of this Registration Document:

- 3.3.1 on 29 April 2014, 50,000 Restricted Shares of £1.00 each in aggregate were issued at par (fully paid) to Timothy Attlee and Paul Hadaway (25,000 Restricted Shares to each);
- 3.3.2 on 30 June 2014, 85,000,000 Shares were issued pursuant to a placing and offer for subscription at an issue price of £1.00 per Share; and

- 3.3.3 on 30 June 2014, the 50,000 Restricted Shares were redeemed out of the proceeds of the placing and offer for subscription at par value and cancelled.
- 3.4 The effect of the Initial Issue will be to increase the net assets of the Company. On the assumption that the gross proceeds of the Initial Issue are £65.65 million, the Initial Issue is expected to increase the net assets of the Company by c.£64.34 million.
- 3.5 By ordinary and special resolutions passed on 13 June 2014:
- 3.5.1 the Directors were generally and unconditionally authorised in accordance with Section 551 of the Companies Act to exercise all the powers of the Company to allot Shares up to an aggregate nominal amount of £1,700,000 in connection with the IPO, such authority to expire at the first annual general meeting of the Company save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;
 - 3.5.2 the Directors were generally empowered (pursuant to Section 570 of the Companies Act) to allot Shares pursuant to the authority referred to in paragraph 3.5.1 above as if Section 561 of the Companies Act did not apply to any such allotment, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
 - 3.5.3 the Directors were generally and unconditionally authorised in accordance with Section 551 of the Companies Act to exercise all the powers of the Company to allot Shares up to an aggregate nominal amount of £2,550,000 or, if less, 150 per cent. of the aggregate nominal value of the issued Share capital of the Company immediately following the completion of the IPO, such authority to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;
 - 3.5.4 the Directors were generally empowered (pursuant to Sections 570 and 573 of the Companies Act) to allot Shares and to sell Shares from treasury for cash pursuant to the authority referred to in paragraph 3.5.3 above as if Section 561 of the Companies Act did not apply to any such allotment, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
 - 3.5.5 conditionally upon the issue of Shares by the Company pursuant to the IPO and the payment up in full thereof, it was resolved that the amount standing to the credit of the share premium account of the Company following completion of the IPO be cancelled; and
 - 3.5.6 the Company was authorised in accordance with Section 701 of the Companies Act to make market purchases (within the meaning of Section 693(4) of the Companies Act) of Shares provided that the maximum number of Shares authorised to be

purchased is 14.99 per cent. of the Shares in issue immediately following completion of the IPO. The minimum price which may be paid for a Share is £0.01. The maximum price which may be paid for a Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market value of the Shares for the five Business Days before the purchase is made or (ii) the higher of the last independent trade and the highest current independent bid for Shares. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and 31 December 2015 save that the Company may contract to purchase Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Shares in pursuance of such contract.

3.6 On 17 November 2014, resolutions of the Company will be considered at the General Meeting for the following purposes:

- 3.6.1 that, the Directors are generally and unconditionally authorised in accordance with Section 551 of the Companies Act to exercise all the powers of the Company to allot 300,000,000 Shares in connection with the Share Issuance Programme, such authority to expire on 16 November 2015, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired. The resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Shares but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities;
- 3.6.2 that, conditionally upon the passing of the authorities referred to in paragraphs 3.6.1 and 3.6.5, notwithstanding that the proposed participation by East Riding of Yorkshire Council Pension Fund in any issue of Shares pursuant to the Share Issuance Programme is a related party transaction of the Company for the purposes of the listing rules made by the UKLA under section 74 of FSMA ("**Related Party Transaction**"), the Company's proposal to issue and allot Shares to East Riding of Yorkshire Council Pension Fund pursuant to the Share Issuance Programme be approved;
- 3.6.3 that, conditionally upon the passing of the authorities referred to in paragraphs 3.6.1 and 3.6.5, notwithstanding that the proposed participation by SG Hambros Bank Ltd in any issue of Shares pursuant to the Share Issuance Programme is a Related Party Transaction, the Company's proposal to issue and allot Shares to SG Hambros Bank Ltd pursuant to the Share Issuance Programme be approved.
- 3.6.4 that, conditionally upon the passing of the authorities referred to in paragraphs 3.6.1 and 3.6.5, notwithstanding that the proposed participation by CCLA Investment Management Limited in any issue of Shares pursuant to the Share Issuance Programme is a Related Party Transaction, the Company's proposal to issue and allot Shares to CCLA Investment Management Limited pursuant to the Share Issuance Programme be approved.
- 3.6.5 that, conditionally upon the passing of the authority referred to in paragraph 3.6.1, the Directors are generally empowered (pursuant to section 570 of the Act) to allot Shares for cash pursuant to the authority referred to in paragraph 3.6.1 as if Section 561 of the Companies Act did not apply to any such allotment, such power to expire on 16 November 2015, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Shares to be allotted after the expiry of such power and the

Directors may allot Shares in pursuance of such an offer or agreement as if such power had not expired. The resolution revokes and replaces all unexercised powers previously granted to the Directors to allot Shares as if Section 561 of the Companies Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities;

- 3.6.6 that, conditionally upon the issue of Shares by the Company pursuant to the Initial Issue and the payment up in full thereof, the amount standing to the credit of the share premium account of the Company following completion of the Initial Issue be cancelled.
- 3.7 The provisions of Section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to Sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent to be disapplied as mentioned in paragraph 3.6.5 above.
- 3.8 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.
- 3.9 Save as disclosed in this paragraph 3, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and, save for the Share Issuance Programme no such issue is now proposed. No shares in the capital of the Company are held by or on behalf of the Company.
- 3.10 Save as set out in paragraph 6.2 of this Part 8, the Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 3.11 All of the Shares are in registered form and are eligible for settlement in CREST. Temporary documents of title will not be issued.

4. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- 4.1 Other than as set out in the table below, as at 29 October 2014 (being the last practicable date prior to the publication 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 Shares</i>	<i>Percentage of issued share capital (%)</i>
East Riding of Yorkshire Council Pension Fund	15,000,000	17.65
SG Hambros Bank Limited	9,844,353	11.58
CCLA Investment Management Limited	8,500,000	10.00
Rathbones Brothers plc	7,513,530	8.84
Charles Stanley & Co. Limited	4,503,764	5.30
Smith & Williamson Holdings Limited	3,207,866	3.77
BNP Paribas Arbitrage SNC	3,000,000	3.53
Bank Morgan Stanley, Zurich	2,600,000	3.06

- 4.2 Other than as disclosed above, the Company and the Directors are not aware of any person who as at 29 October 2014 (being the latest practicable date 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 of the Company.
- 4.3 Save as set out below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at 29 October 2014 (being the latest practicable date prior to the publication of this Registration Document):

<i>Director</i>	<i>Number of shares</i>	<i>Percentage of issued share capital</i>
Baroness Dean	33,500	0.04
Timothy Attlee	875,000	1.03
Paul Hadaway	875,001	1.03
Michael Enright ^(*)	520,000	0.61
Jim Prower ^(**)	23,760	0.03

^(*) 20,000 of these Shares are held on behalf of Mr. Enright's children.

^(**) 11,880 of these Shares are held by Mr. Prower's wife.

- 4.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 4.5 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 4.6 Over the five years preceding the date of this Registration Document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Baroness Dean	Places for People Individual Support Limited Places for People Homes Limited Nats Holdings Limited Nats Employee Sharetrust Limited Thompson Media Foundation (Trustee) Limited The University College London Hospitals Charitable Foundation	Taylor Wimpey plc East Foundation Limited Industry and Parliament Trust Dawson Holdings Limited Chamberlain Phipps Group Plc
Timothy Attlee	London Cornwall Property Partners Ltd London Cornwall Student Investments Ltd London Cornwall (Birmingham) Ltd London Cornwall (Bristol 1) Ltd London Cornwall (Cardiff) Ltd London Cornwall (Edinburgh) Ltd London Cornwall (Exeter) Ltd London Cornwall (Pinewood) Ltd Pinewood Nominal Ltd	South West Peninsular Properties Ltd (dissolved) SWPP Investments Ltd (dissolved)

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Timothy Attlee (continued)	Pinewood Polzeath Residents Management Company Ltd Prime Student Housing (Cardiff) Contracting Ltd Prime Student Housing (Exeter) Contracting Ltd Boscawen Limited Empire (Glasgow) Limited Empire (Southampton) Limited	
Paul Hadaway	PLPP Management Ltd London Cornwall Property Partners Ltd London Cornwall Student Investments Ltd London Cornwall (Pinewood) Ltd Pinewood Nominal Ltd Pinewood Polzeath Residents Management Company Ltd Marble Shelf Developments (Holdings) Ltd Empire (Glasgow) Limited Empire (Southampton) Limited	Marble Shelf Developments Limited (dissolved) London Cornwall (Birmingham) Ltd London Cornwall (Bristol 1) Ltd London Cornwall (Cardiff) Ltd London Cornwall (Edinburgh) Ltd London Cornwall (Exeter) Ltd Prime Student Housing (Cardiff) Contracting Ltd Prime Student Housing (Exeter) Contracting Ltd Noticedesign Limited Notice Investments Limited Noticeboard Limited Phoenix Film Finance Limited
Michael Enright	Future Media Group Limited Livingstone Leisure Limited London Cornwall (Cardiff) Limited London Cornwall (Exeter) Limited	SBB Services Inc. Vectrix Corporation Inc. Brazilian Football Experience Limited Karbon Kinetics Limited Global Media Vault Limited Mediatonic Limited
Stephen Alston	Hartwood Capital LLP Prime Student Housing (Cardiff) Limited Prime Student Housing (Exeter) Limited Metropolitan & Suburban Partners Limited Metropolitan & Suburban Regeneration Fulham Limited	Generator Group LLP
Jim Prower	KCC Nominee 1 (J) Ltd KCC Nominee 2 (J) Ltd ArtHouse Manco Limited KCC Nominee 1 (P2) Limited KCC Nominee 2 (P2) Limited KCC Nominee 1 (Q1) Limited KCC Nominee 2 (Q1) Limited KCC Nominee 1 (R1) Limited KCC Nominee 2 (R1) Limited KCC Nominee 1 (R3) Limited	Argent Group PLC Argent Estates Limited Argent Nominee 1 Limited Argent Nominee 2 Limited Argent (UK Developments) Limited Argent Brindleyplace Investments Limited Argent Group Developments PLC Brindleyplace PLC

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Jim Prower (continued)	KCC Nominee 2 (R3) Limited	Brindleyplace General Partner
	KCC Nominee 1 (R5S) Limited	Limited
	KCC Nominee 2 (R5S) Limited	Argent (Paradise) Limited
	KCC Nominee 1 (T5) Limited	Argent (Piccadilly Gardens)
	KCC Nominee 2 (T5) Limited	Limited
	Kings Cross Events Limited	Argent (Stevenson Square)
	KCC Nominee 1 (T1) Limited	Limited
	KCC Nominee 2 (T1) Limited	Argent Piccadilly Place (No. 1)
	KCC Nominee 1 Limited	Limited
	KCC Nominee 2 Limited	Argent Brindleyplace Investment
	KCC Nominee 1 (B3) Limited	Limited
	KCC Nominee 2 (B3) Limited	Argent Piccadilly Place (No. 2)
	KCC Nominee 1 (R5N) Limited	Limited
	KCC Nominee 2 (R5N) Limited	Piccadilly Place General Partner
	KCC Nominee 1 (GG) Limited	Limited
	KCC Nominee 2 (GG) Limited	Piccadilly Place Trustee (No. 1)
	KC (B2&B4) GP Limited	Limited
	KCC Nominee 1 (B2) Limited	Piccadilly Place Trustee (No. 2)
	KCC Nominee 2 (B2) Limited	Limited
	KCC Nominee 1 (B4) Limited	Piccadilly Place Trustee (No. 3)
	KCC Nominee 2 (B4) Limited	Limited
	KCC Nominee 1 (B5) Limited	Piccadilly Place Trustee (No. 4)
	KCC Nominee 2 (B5) Limited	Limited
	KCC Nominee 1 (WTS) Limited	Miller Argent (Nominee 1) Limited
	KCC Nominee 2 (WTS) Limited	Miller Argent (South Wales)
	KCC Nominee 1 (MGS) Limited	Limited
	KCC Nominee 2 (MGS) Limited	Argent Development Consortium
	KCC Nominee 1 (Coal Drops)	Limited
	Limited	Brindley Place Management
	KCC Nominee 2 (Coal Drops)	Limited
	Limited	Argent Development Management
	KCC Nominee 1 (R2) Limited	Limited
	KCC Nominee 2 (R2) Limited	Colnbrook Developments
	T1 Manco Limited	(Nominee) Limited
	KCC Nominee 1 (T1 Resl) Limited	Colnbrook Developments Limited
	KCC Nominee 2 (T1 Resl) Limited	Pelagia Developments
	KCC Nominee 1 (P1) Limited	Eight Brindleyplace (No 2) Limited
	KCC Nominee 2 (P1) Limited	Eight Brindleyplace Limited
	KCC Nominee 1 (P1 Resl) Limited	Seven Brindleyplace (No 2)
	KCC Nominee 2 (P1 Resl) Limited	Limited
	KCC Nominee 1 (G1 PAV) Limited	Seven Brindleyplace (No 2)
	KCC Nominee 2 (G1 PAV) Limited	Limited
	King's Cross Central (Trustee No. One) Limited	Six Brindleyplace (No 2) Limited
	King's Cross Central (Trustee No. Two) Limited	Six Brindleyplace Limited
	King's Cross Central General Partner Limited	Ten Brindleyplace (No 2) Limited
	Argent King's Cross Nominee Limited	Ten Brindleyplace Limited
	Argent King's Cross GP Limited	Brindleyplace (Headlease) (No 2)
	Argent (King's Cross) Limited	Limited
		Brindleyplace (Headlease) Limited
		Brindleyplace Co-nominee Limited
		Brindleyplace Nominee Limited
		Five Brindleyplace (No. 4) Limited
		Icknield Port Regeneration Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Jim Prower (continued)	King's Cross Estate Services Limited Argent Projects No. 4 GP Limited Argent Projects No. 4 GP Nominee Limited Elisabeth House General Partner Limited Elisabeth House Nominee No.1 Limited Elisabeth House Nominee No.2 Limited Five Piccadilly Management Company 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 (Property Development) Services LLP Argent Investments LLP Tritax Big Box REIT plc Tritax Acquisition 1 Limited Baljean Properties Ltd Tritax REIT Acquisition 3 Limited Tritax REIT Acquisition 4 Limited Tritax Acquisition 4 Ltd. Tritax REIT Acquisition 5 Limited Tritax Acquisition 5 Ltd. Tritax Acquisition 6 Limited Sonoma Ventures Ltd Prometheus Regeneration Limited Sisyphus Limited P1 Manco Limited Tritax REIT Acquisition 8 Limited Tritax REIT Acquisition 9 Limited Tritax REIT Acquisition 10 Limited Tritax Acquisition 7 Limited Tritax Acquisition 8 Limited Tritax Acquisition 9 Limited Tritax Acquisition 10 Limited Tritax Ripon Limited	
Alexandra Mackesy	Scottish Oriental Smaller Companies Trust plc Asian Total Return Investment Company plc RENN Universal Growth Investment Trust plc Little Bevan Ltd ila-spa Ltd	None

- 4.7 Timothy Attlee was a director of South West Peninsular Properties Ltd and SWPP Investments Ltd, both of which companies were placed into voluntary solvent liquidation and dissolved.
- 4.8 Paul Hadaway was a director of Marble Shelf Developments Limited which was the subject of a compulsory winding-up order dated 24 June 2009. The company was wound-up and dissolved on 12 September 2013 following an agreed commercial settlement with creditors.
- 4.9 Michael Enright was a non-executive director of Vectrix Corporation Inc which entered into Chapter 11 insolvency protection under United States law on 28 September 2009. The company was subsequently liquidated with administrative and professional fee claims paid in full, priority claims receiving 49 per cent. distribution and unsecured claims receiving no distribution.
- 4.10 In the five years before the date of this Registration Document, the Directors:
- 4.10.1 did not have any convictions in relation to fraudulent offences;
- 4.10.2 were not 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; and
- 4.10.3 did not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and were not 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.
- 4.11 Save as disclosed in the section entitled "Conflicts of interest" in Part 4 of this Registration Document, as at the date of this Registration Document, none of the Directors had any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 4.12 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 4.13 All Shareholders have the same voting rights in respect of the share capital of the Company.

5. DIRECTORS' SERVICE AGREEMENTS

5.1 *Executive Directors*

The following agreements have been entered into between each of the Executive Directors and the Company:

- 5.1.1. Paul Hadaway, who was appointed as a Director on incorporation, is employed by the Company in the post of Chief Executive Officer. He is engaged under a contract with Company dated 16 June 2014, which includes a notice period of 12 months and contains restrictive covenants. The annual salary under Paul Hadaway's service agreement is £250,000.
- 5.1.2 Timothy Attlee, who was appointed as a Director on incorporation, is employed by the Company in the post of Chief Investment Officer. He is engaged under a

contract with Company dated 16 June 2014, which includes a notice period of 12 months and contains restrictive covenants. The annual salary under Timothy Attlee's service agreement is £250,000.

5.1.3 Michael Enright, who was appointed as a Director on 21 March 2014, is employed by the Company in the post of Chief Financial Officer. He is engaged under a contract with Company dated 16 June 2014, which includes a notice period of 12 months and contains restrictive covenants. The annual salary under Michael Enright's service agreement is £125,000. Michael Enright's role is not full time and it is expected that he will work on average 3.5 days per week. It is intended that Mr Enright's position will transition to full time as the business of the Company develops.

5.2 In addition, each of the Executive Directors is entitled to a contribution of 15 per cent. of basic salary for his personal pension arrangements or direct to his pension plan and a standard benefits package including, medical insurance, life insurance and a £10,000 per annum car allowance.

5.3 Each Director is also entitled to a discretionary bonus under the Group's annual bonus scheme, further details of which are set out in paragraph 6 of this Part 8.

5.4 *Non-Executive Directors*

Each Non-Executive Director has entered into a letter of appointment with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. All Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment or Articles for the removal of Non-Executive Directors. The Articles provide that the office of Director shall be terminated by, amongst other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) the written request of all of the other Directors.

Each of the Non-Executive Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Details of the remuneration for the Non-Executive Directors as at the date of this Registration Document is as follows:

<i>Director</i>	<i>Fee (£)</i>	<i>Appointment date</i>
Baroness Dean	67,000	28 May 2014
Stephen Alston	None*	28 May 2014
Jim Prower	45,000	28 May 2014
Alexandra Mackesy	40,000	28 May 2014

* Due to the Company's arrangement with Revcap under the Investment Support Agreement, Mr Alston does not receive any separate Non-Executive Directors' fees for his role on the Board.

The Non-Executive Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Non-Executive Directors in respect of the Company's accounting period ending 30 June 2015 which will be payable out of the assets of the Company are not expected to exceed £152,000.

6. INCENTIVE ARRANGEMENTS

6.1 *Long Term Incentive Plan*

The Company has adopted the Empiric Student Property plc 2014 Long Term Incentive Plan (the "LTIP").

6.1.1 Eligibility

Employees and Executive Directors of the Company and designated subsidiaries and joint ventures are eligible to participate in the LTIP.

6.1.2 Grant of awards

The Directors or, in the case of Executive Directors, the Remuneration Committee will decide who will participate and how many Shares they can receive.

Selected employees are granted a right to receive Shares in the Company in the future subject to remaining in employment and subject to the satisfaction of any performance conditions. The right (referred to as an award) can take the form of: (i) a conditional right to free Shares on vesting; or (ii) an option to acquire Shares, from the date of vesting, at an exercise price set at the time of grant (which may be zero).

When the participant becomes entitled to the Shares the award is said to have vested.

Awards will normally only be granted within 42 days of announcement of the Company's results for any period or the annual general meeting. No awards can be granted more than 10 years after the adoption of the LTIP.

6.1.3 Performance conditions

Vesting of an award may be subject to a performance condition set by the Remuneration Committee at the time of grant which will normally be tested over at least three financial years. Awards made to Directors of the Company will be subject to performance conditions as described in the Company's remuneration policy from time to time.

6.1.4 Individual limit

The value of Shares subject to awards granted to a Director in any financial year will be limited to 150 per cent. of basic salary using an average share price over a period determined by the Remuneration Committee, being not less than twelve months. This limit is subject to any higher percentage approved by the Shareholders in respect of the Company's remuneration policy.

6.1.5 Vesting awards

Awards will be normally only vest to the extent any performance condition is met. To the extent the award vests, shares will be issued or transferred to the participant or, in the case of an option, the option will become exercisable for up to 10 years from the date of grant.

An award can be granted on the basis that the participant will receive an additional amount on vesting based on the dividends paid on the number of Shares in respect of which the award vests or is exercised. This may be paid in cash or additional Shares.

6.1.6 Malus

The Remuneration Committee can reduce or delay vesting in certain circumstances such as an error in, or restatement of, results or misconduct by the participant.

6.1.7 Leaving employment

If a participant leaves employment, his award will normally lapse. However, if the participant leaves because of disability, ill-health or injury; redundancy; retirement; sale of his employer, or in other circumstances if the Remuneration Committee allows (a “good leaver”), his award will continue in effect and vest on the original vesting date. On death, or in other circumstances if the Remuneration Committee so decides, the award will vest early.

An award will only vest in these circumstances to the extent that any performance condition is satisfied at the date of vesting and, unless the Remuneration Committee decides otherwise, the number of Shares in respect of which it vests will be reduced to reflect the fact that the participant left early.

The Remuneration Committee can decide that any holding period will not apply where the participant leaves before it starts and his award does not lapse.

6.1.8 Takeovers, mergers and other corporate events

Awards will generally vest early on a takeover, merger or other corporate event to the extent that any performance condition is then satisfied. Where an award vests in these circumstances, the number of Shares in respect of which it vests will, unless the Remuneration Committee decides otherwise, be reduced to reflect the fact that it is vesting early. Alternatively, participants may be allowed or required to exchange their awards over shares in the acquiring company.

6.1.9 Deferred bonus arrangements

Awards under the LTIP can also be made in respect of arrangements under which a cash bonus is to be deferred into Shares. Such awards will vest in full on a takeover, merger or other corporate event. If a participant leaves employment, his award will normally lapse. If however he is a good leaver his award will continue in effect and vest on the original vesting date. On death, or in other circumstances if the Remuneration Committee so decides, the award will vest early.

6.1.10 Plan limit

In any 10 year period, not more than 10 per cent. of the issued ordinary share capital of the Company may be issued or issuable under the LTIP and all other employees share plans operated by the Company.

In any 10 year period, not more than five per cent. of the issued ordinary share capital of the Company may be issued or issuable under the LTIP and all other discretionary employees share plans adopted by the Company.

These limits do not include options or awards which lapse but does include treasury shares if they were newly issued for so long as it is best practice to do so.

6.1.11 Changes to the LTIP

The Remuneration Committee can amend the LTIP in any way. However, subject to the following, Shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: (i) eligibility; (ii) individual and plan limits; (iii) exercise price; (iv) rights attaching to options, awards and Shares; (v) adjustments on variation in the Company’s share capital, and (vi) the amendment power.

The Remuneration Committee can, without shareholder approval, change the LTIP to obtain or maintain favourable tax treatment, make certain minor amendments e.g. to benefit the administration of the LTIP or change any performance condition in accordance with its terms or if anything happens which causes the Remuneration Committee reasonably to consider it appropriate to do so.

6.1.12 General

Any Share issued on the vesting of awards or exercise or options will rank equally with Shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

The option price or number of shares subject to options or awards may be adjusted following a demerger, rights issue or other variation in the share capital of the Company.

Options and awards are not pensionable or transferable.

6.2 Awards granted

Pursuant to a decision of the Remuneration Committee dated 13 June 2014 the Executive Directors have been granted nil cost options over the following numbers of Shares:

<i>Name</i>	<i>Awards granted</i>
Paul Hadaway	375,000
Tim Attlee	375,000
Michael Enright	187,500

The vesting of LTIP awards is subject to the Company meeting a target of total shareholder return (the “**Performance Condition**”) of at least 5 per cent. for the period from 30 June 2014 to 30 June 2015 (the “**Initial Period**”) and then 10 per cent. (compound) per annum during the two year period from 30 June 2015 to 30 June 2017 (the “**Subsequent Period**”) and together with the Initial Period the “**Performance Period**”).

Subject to satisfaction of the Performance Condition and the LTIP rules, an award shall vest after 30 June 2017.

The starting point for the calculation is £1.00 per Share (the “**Opening Value**”).

Total shareholder return means the combined share price growth and dividends for the Shares as determined by the Remuneration Committee from time to time. The Opening Value shall be used as the base value for assessing total shareholder return for the Performance Period. The total shareholder return calculation shall be based on the opening and closing share price for a Share (as derived from Bloomberg, or such other pricing service as may be determined by the Remuneration Committee from time to time) for the 30 day period prior to the last London business day of the Performance Period.

An award will vest over such number of Shares as follows:

<i>Annual total shareholder return growth of a Share over the Performance Period</i>	<i>Vesting percentage of the Shares subject to an award (%)</i>
Less than 5 per cent. for the Initial Period and less than 10 per cent. (compound) for the Subsequent Period	0
Equal to 5 per cent. for the Initial Period and equal to 10 per cent. (compound) for the Subsequent Period	25

<i>Annual total shareholder return growth of a Share over the Performance Period</i>	<i>Vesting percentage of the Shares subject to an award (%)</i>
Greater than 5 per cent. and lower than 7.5 per cent. for the Initial Period and greater than 10 per cent. (compound) and lower than 15 per cent. (compound) for the Subsequent Period	Between 25 and 100 on a straight line basis
Equal to or greater than 7.5 per cent. for the Initial Period and equal to or greater than 15 per cent. (compound) for the Subsequent Period	100

As soon as reasonably practicable following the end of the Performance Period the Remuneration Committee shall determine the extent to which the Performance Condition has been satisfied. The determinations of the Remuneration Committee shall not be open to question and the Remuneration Committee shall be under no liability to any person in relation to its determination of the extent to which the Performance Condition has been satisfied in any particular case.

If the Performance Condition has not been satisfied in full or in part at the end of the Performance Period (or earlier if relevant under the Rules), then any part of the award that does not vest as a consequence of any part of the Performance Condition not being satisfied, will lapse immediately. Any fraction of an ordinary share arrived at by applying the Performance Condition shall be ignored.

The award to the Executive Directors have the benefit of dividend equivalence pursuant to the Rules. The Remuneration Committee shall determine on or before vesting the awards whether the dividend equivalent will be provided in the form of cash and/or Shares.

6.3 *Annual bonus scheme*

The Group operates an annual bonus scheme for the Executive Directors. The maximum pay out under the annual bonus scheme is 110 per cent. of annual salary, with at least 40 per cent. of any bonus satisfied by the issue of Shares which will be deferred for three years. Payment of an annual bonus would be dependent upon performance over the prior 12 month period, with targets set and agreed with the Remuneration Committee.

For the first 12 month period following Admission (the “**Initial Period**”), the Remuneration Committee has set the following initial conditions to the payment of awards under the annual bonus scheme:

- 50 per cent. of the bonus is triggered by the declaration of at least 5p in aggregate dividends during the period ended 30 June 2015; and
- 50 per cent. is triggered if the net issue proceeds raised on the IPO are fully invested or committed (subject to the Company’s working capital requirements) by 31 January 2015.

Following the Initial Period, the following conditions to the payment of awards under the annual bonus scheme will apply: (i) 50 per cent. is triggered if dividend growth is above RPI; and (ii) 50 per cent. is triggered if the NAV growth of the Group’s development assets meets agreed levels.

7. THE ARTICLES

The Articles contain provisions, *inter alia*, to the following effect:

7.1 *Objects/purposes*

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

7.2 *Voting rights*

7.2.1 Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

7.2.2 Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

7.2.3 Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

7.3 *Dividends*

7.3.1 Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

7.3.2 Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution.

If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

- 7.3.3 All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- 7.3.4 The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- 7.3.5 The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- 7.3.6 Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

7.4 *Winding up*

- 7.4.1 If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, divide among the shareholders in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.
- 7.4.2 The Directors are required to propose an ordinary resolution that the Company continue its business as presently constituted (the "**Continuation Resolution**") at the annual general meeting of the Company to be held in 2017. If the Continuation Resolution is not passed, the Directors will formulate proposals to be put to Shareholders to reorganise, restructure or wind-up the Company and to present

such proposals to Shareholders within 60 days of the date of the annual general meeting at which the continuation resolution was proposed.

7.5 *Transfer of shares*

7.5.1 Subject to such of the restrictions in the Articles as may be applicable, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.

7.5.2 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

7.5.2.1 it is in respect of a share which is fully paid up;

7.5.2.2 it is in respect of only one class of shares;

7.5.2.3 it is in favour of a single transferee or not more than four joint transferees;

7.5.2.4 it is duly stamped (if so required); and

7.5.2.5 it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.

7.5.3 Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the

United Kingdom on which the Company's shares are normally traded or is in consequence of a bona fide sale to an unconnected party.

- 7.5.4 If the Board refuses to register a transfer of a Share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- 7.5.5 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- 7.5.6 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 7.5.7 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- 7.5.7 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- 7.5.8 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

7.6 *Variation of rights*

- 7.6.1 If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Companies Act.
- 7.6.2 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

7.7 *Alteration of share capital*

The Company may, from time to time, by ordinary resolution:

- 7.7.1 authorise the Directors to increase its share capital by allotting new shares;
- 7.7.2 consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- 7.7.3 subject to the provisions of the Companies Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- 7.7.4 redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

7.8 *General meetings*

- 7.8.1 The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- 7.8.2 A general meeting shall be convened by such notice as may be required by law from time-to-time.
- 7.8.3 The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
- 7.8.3.1 whether the meeting is convened as an annual general meeting or any other general meeting;
- 7.8.3.2 the place, the day, and the time of the meeting;
- 7.8.3.3 the general nature of the business to be transacted at the meeting;

- 7.8.3.4 if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
- 7.8.3.5 with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- 7.8.4 The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.
- 7.8.5 The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- 7.8.6 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- 7.8.7 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 7.8.8 A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
- 7.8.8.1 the chairman of the meeting;
- 7.8.8.2 at least five members having the right to vote on the resolution;

7.8.8.3 a member or members representing not less than ten per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or

7.8.8.4 member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

7.9 *Borrowing powers*

Subject to the provisions of the Companies Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof 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.

7.10 *Issue of shares*

7.10.1 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 no share shall be issued at a discount.

7.10.2 Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

7.10.3 The business of the Company shall be managed by the Directors who, subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

7.11 *Directors' fees*

7.11.1 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £400,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.

- 7.11.2 The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

7.12 *Directors' interests*

- 7.12.1 The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.
- 7.12.2 Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.
- 7.12.3 Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:
- 7.12.3.1 may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - 7.12.3.2 may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries);
 - 7.12.3.3 may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
 - 7.12.3.4 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and

7.12.3.5 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.

7.12.4 A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

7.12.5 The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

7.13 *Restrictions on Directors voting*

7.13.1 A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:

7.13.1.1 any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;

7.13.1.2 the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

7.13.1.3 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

7.13.1.4 the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;

7.13.1.5 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

7.13.1.6 any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of

any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;

7.13.1.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

7.13.1.8 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;

7.13.1.9 any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or

7.13.1.10 any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.

7.13.2 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

7.14 *Number of Directors*

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be not less than two and the number is not subject to a maximum.

7.15 *Directors' appointment and retirement*

7.15.1 Each Director shall retire from office at the third annual general meeting after the annual general meeting or general meeting (as the case may be) at which he was previously appointed.

7.15.2 Any Director who has held office with the Company, other than employment or executive office, and who, at the date of the annual general meeting, has held such office for nine years or more, shall be subject to re-appointment at each annual general meeting.

7.16 *Notice requiring disclosure of interest in shares*

7.16.1 The Company may, by notice in writing under section 793 of the Companies Act, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation,

particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.

7.16.2 If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

7.17 *Untraced shareholders*

Subject to the Articles, the Company may sell any shares registered in the name of a member if and provided that during the period of 12 years immediately prior to the date of the publication of the advertisement of an intention to make such a disposal the Company has paid at least three cash dividends on the shares and no cash dividend payable on the share has either been claimed or cashed. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

7.18 *Indemnity of Officers*

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

7.19 *REIT provisions*

A summary of the REIT provisions included in the Articles is set out in paragraph 4 of Part 7 of this Registration Document.

8. CITY CODE ON TAKEOVERS AND MERGERS

8.1 *Mandatory bid*

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- a person acquires an interest in shares 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
- 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 acquirer and, depending on the circumstances, its 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 at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

8.2 *Compulsory acquisition*

Under Sections 974 – 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 its 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.

9. MATERIAL CONTRACTS OF THE GROUP

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the members of the Group since incorporation and are, or may be, material or contain any provision under which the Group has any obligation or entitlement which is or may be material to it as at the date of this Registration Document:

9.1 *The Placing and Offer for Subscription Agreement*

The Placing and Offer for Subscription Agreement dated 30 October 2014 between the Company, the Directors, Jefferies and Akur, pursuant to which, subject to certain conditions, Jefferies has agreed to use its reasonable endeavours to:

- (a) procure subscribers for Shares under the Initial Placing; and
- (b) procure subscribers for Shares made available under any further placings under the Share Issuance Programme.

In addition, under the Placing and Offer for Subscription 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 of new Shares issued pursuant to the Share Issuance Programme.

The Placing and Offer for Subscription Agreement may be terminated by Jefferies in certain customary circumstances prior to Admission.

The obligations of the Company to issue Shares under the Initial Placing and the obligations of Jefferies to use its reasonable endeavours to procure subscribers for Shares under the Initial Placing are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Initial Admission in respect of the Shares issued pursuant to the Initial Issue occurring and becoming effective by 8.00 a.m. on or prior to 24 November 2014 or such later time and/or date as the Company and Jefferies may agree; and (ii) the Placing and Offer for Subscription Agreement becoming wholly unconditional (save as to Initial Admission and in respect of any condition which relates to the ongoing Share Issuance Programme) and not having been terminated in accordance with its terms at any time prior to Initial 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 Shares; (ii) the Placing and Offer for Subscription Agreement becoming wholly unconditional in respect of the relevant placing of Shares (save as to Admission of those 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 Share.

The Company and the Directors have given warranties to Jefferies and Akur concerning, *inter alia*, the accuracy of the information contained in this Registration Document. The Company has also given indemnities to Jefferies and Akur. The warranties and indemnities given by the Company and the Directors are customary for an agreement of this nature. The Placing and Offer for Subscription Agreement is governed by the laws of England and Wales.

9.2 *The RBS Facility Agreement*

The RBS Facility Agreement dated 24 October 2014 between (*inter alium*) Empiric Investments (One) Limited (the “**Borrower**”), (the parties listed therein as guarantors together with the Borrower, the “**Obligors**”), RBS (as arranger, agent, security trustee and original lender) (the “**Lender**”) and National Westminster Bank PLC (acting as account bank and hedge counterparty) (the “**RBS Facility Agreement**”) under which the Lender has made available to the Borrower an investment term loan facility of £35.5 million (the “**RBS Loan**”).

The purpose of the RBS Loan is for refinancing the acquisition costs of the Properties (as defined in the RBS Facility Agreement), either directly or by on-lending amounts to the Obligors to enable them to refinance the acquisition costs of the Properties.

The Borrower may borrow the RBS Loan in full (or in a maximum of two drawdowns), in the period from and including the date of the RBS Facility Agreement to and including the date falling 3 months from the date of the RBS Facility Agreement (the “**Availability Period**”) by giving RBS a duly completed request (a “**Utilisation Request**”). The amount of each Utilisation Request must not exceed £35.5 million or 50 per cent. of the aggregate market value of the Properties (as determined by the most recent valuation). Each date on which the loan is borrowed must fall within the Availability Period. Any undrawn commitments under the RBS Loan will be automatically cancelled at the end of the Availability Period.

The Borrower must repay the outstanding amount of the RBS Loan, together with all other amounts due under the Finance Documents (as defined therein), in full to the relevant parties on 24 October 2019 (the “**Termination Date**”).

The rate of interest on the RBS 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 RBS Facility Agreement). The Margin is 1.9 per cent. per annum. The interest payment dates are 31 January, 30 April, 31 July, 31 October and the Termination Date, with the first interest payment date being 31 January 2015.

The RBS Loan is secured by:

- (a) a first ranking debenture over the assets of each Obligor (including the Properties acquired at that time) entered into or to be entered into by an Obligor in favour of the Lender as security trustee;
- (b) a standard security over a Property located in Scotland entered into or to be entered into by an Obligor in favour of the Lender as security trustee;
- (c) the assignment of rents derived from a Property located in Scotland entered into or to be entered into by an Obligor in favour of the Lender as security trustee; and
- (d) a legal charge in respect of real property acquired after the date of the RBS Facility Agreement by an Obligor.

The Company does not grant any security (including over the shares of the Borrower) to the Lender, but has entered into a subordination deed dated 24 October 2014 to regulate the ranking and payment of inter-company debts owing by the Obligors to the Company.

The RBS 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 of the Obligors (including the shares in the Borrowers); and
- (b) restrictions on the disposal of assets.

The RBS Facility Agreement includes both a loan to value covenant (“**LTV Covenant**”) and an interest cover covenant (“**ICR Covenant**”). The ICR Covenant requires interest cover will not be less than 2:1 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 55 per cent. of the market value of the Properties. The LTV Covenant may be tested at any time during the term of the RBS Loan. Any breach of the LTV Covenant

(which is not remedied), and any breach of the ICR Covenant is an event of default under the RBS Facility Agreement.

In addition to the events of default arising from a breach of the LTV Covenant or the ICR Covenant, the RBS 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 the Obligors and the Company. An event of default which is continuing would entitle the Lender to:

- (a) cancel all or any part of the total commitments under the RBS 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; and/or
- (c) exercise or direct RBS in its capacity as security trustee to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

The RBS Facility Agreement is governed by the laws of England and Wales.

9.3 *The Brunswick House Development Facility Agreement*

The Loan Facility Agreement dated 7 August 2014 between Close Brothers Limited and Empiric (Southampton) Limited pursuant to which Close Brothers Limited has granted Empiric (Southampton) Limited a loan of £9,350,000 based on the terms and conditions set out in the agreement (the “**Facility**”).

The purpose of the Facility is to provide, (i) £8,875,200 towards building works at Brunswick House (Southampton), including professional costs and fees and non-refundable VAT due, (ii) £350,000 towards interest payments on the Facility and (iii) £124,800 towards the cost of the contribution to be made under the terms of a S.106 agreement relating to the property.

Draw down of the Facility under, paragraph (i) above will be made in tranches against certificates provided by a preferred project monitoring surveyor with the first draw down taking place no later than three months from the date of the agreement and with Empiric (Southampton) Limited funding the first £309,668 of building works. Facility drawings under paragraph (ii) above will be made in accordance with interest payment provisions (detailed below) and drawings under paragraph (iii) will be made by way of a single payment once the sum under the terms of the S.106 agreement has become due and payable.

The Facility shall expire on the earlier of 31 May 2016 or the last calendar day of the eighteenth month from drawdown under paragraph (i) above.

The Facility is secured by a legal debenture over Empiric (Southampton) Limited's assets and undertaking, a legal charge over Brunswick House, an intercreditor deed between Close Brothers Limited, the Company and Revcap, appropriate collateral warranties from the contractor and other relevant professionals involved in the development of Brunswick House, an assignment by way of first charge over the performance bond in respect of the building contract (the bond being 10 per cent. of the building contract), an assignment of rental income from Brunswick House in favour of Close Brothers Limited and all existing and future security granted by Empiric (Southampton) Limited to Close Brothers Limited.

Interest on the Facility shall accrue daily on the total outstanding balance at the rate of 4.5 per cent. per annum above one month LIBOR fixed for each interest period. The minimum effective rate of interest payable shall be 5.5 per cent. per annum. Interest is payable by Empiric (Southampton) Limited on the first day of each month and on the date

of full repayment of the Facility. Empiric (Southampton) Limited can capitalise monthly interest payments up to the £350,000 stated in paragraph (ii) above and thereafter Empiric (Southampton) Limited must provide sufficient funds to meet further interest payments.

A non-refundable commitment fee of £93,500 is payable upon acceptance of the Facility. Empiric (Southampton) Limited is entitled to a release fee of £178,500 on the sale or letting of Brunswick House or upon the repayment in full, expiry or default of the Facility.

The agreement specifies various conditions precedent that must be satisfied before the Facility becomes available including the provision of certain documents and forms, an acceptable report on title relating to Brunswick House, various confirmations from Close Brothers Limited's solicitors relating to Empiric (Southampton) Limited, Brunswick House and agreements concerning the development, a detailed valuation report, written confirmation from the valuers and project monitoring surveyors that they have reviewed all appropriate documentation, satisfactory references for Empiric (Southampton) Limited and the chosen contractor and any other document that may reasonably be required.

The Loan Facility Agreement is governed by the laws of England and Wales.

9.4 *The Brunswick House Joint Venture Documents*

The following documents have been entered into in connection with the joint venture relating to Brunswick House (Southampton):

9.4.1 Shareholders' Agreement

The Shareholders' Agreement dated 30 July 2014 between KH II 117 Limited ("**KH II**"), the Company (each a "**Shareholder**"), Empiric (Southampton) Limited, Timothy Attlee and Paul Hadaway and relating to Empiric (Southampton) Limited, pursuant to which the Shareholders have recorded the terms on which they will continue as shareholders of Empiric (Southampton) Limited.

Under the terms of the agreement, the Company, Timothy Attlee and Paul Hadaway (the "**ESP Parties**") undertake to disclose to KH II, from the date of the agreement until 7 July 2017, any Relevant Project (defined in the Revcap Development Framework Agreement the terms of which are summarised in paragraph 9.6 below) that has a total project cost of more than £3,000,000 (a "**Business Opportunity**"). The ESP Parties also undertake not to participate in any Business Opportunity unless it has first been rejected by KH II, deemed to have been rejected by KH II not expressly notifying the ESP Parties within 10 business days that it wishes to pursue such Business Opportunity or unless KH II has provided prior written consent to the ESP Parties (each a "**Rejection**"). Following a Rejection the ESP Parties are free to pursue the Business Opportunity provided the Business Opportunity is pursued on similar (and no less favourable) terms to those originally proposed to KH II.

Each of the Shareholders is obliged to enter into the Shareholders' Loan Agreement (the terms of which are summarised in paragraph 9.4.2 below) as a mechanism for providing funding for Brunswick House and its development (as set out in the relevant business plan). If any additional and/or emergency funding is needed by Empiric (Southampton) Limited then this would require the unanimous approval of the directors which, if given, would mean each Shareholder is entitled, but not obliged, to increase their Shareholders' loan in order to provide the additional and/or emergency funding. If the additional and/or emergency funding is not provided by both Shareholders in their relevant proportions then whichever has not provided their proportion shall have 45 days to advance its share which shall

be repaid to the funding Shareholder. If that Shareholder still declines to contribute their share of the additional and/or emergency funding then that Shareholders' capital investment shall be pro rata diluted accordingly. The additional and/or emergency funding shall be made by way of an additional Shareholders' loan, earning a priority return of a 25 per cent. IRR per annum and repayment shall include payment of the 25 per cent. IRR per annum coupon.

After the expiration of the period of 36 months from the date of the agreement (the "**Lock in Period**"), either Shareholder will have the option to terminate the agreement by giving notice in writing (a "**Trigger Notice**") to the other. The Shareholders may not create an artificial deadlock. If a Trigger Notice is served, then there is a 1 month negotiation period during which the parties would enter into good faith discussions with a view to agreeing a mutually acceptable exit and failing successful resolution the Shareholders would trigger an auction process including a "Texas Shootout", the particulars of which are set out in the summary to the Revcap Development Framework Agreement (the terms of which are summarised in paragraph 9.6 below).

The agreement contains certain transfer limitations namely that a Shareholder may not assign, transfer or dispose of its shareholding before the Lock-in Period ends except for KH II who may make certain inter-group transfers, and no transfer, assignment or disposal shall occur without repayment in full of any advances under the Shareholders' Loan Agreement and any additional and/or emergency funding made by the Shareholders including all interest accrued. However a Shareholder may transfer all (but not part) of its shareholding and shareholder loans to a third party provided that prior written notice has been given to the remaining Shareholder for purchase by them at a specified price and the remaining Shareholder has, within 15 business days, indicated whether or not it accepts such offer. If the remaining Shareholder does not wish to purchase the departing Shareholders' interest, then the departing Shareholder may transfer their interest to a third party with the prior written consent of the remaining Shareholder (not to be unreasonably withheld).

The agreement contains certain termination provisions whereby Empiric (Southampton) Limited shall be wound up upon the sale of its assets, upon the unanimous consent of the Shareholders or if Empiric (Southampton) Limited needs additional capital and no Shareholder is forthcoming. In an event of default by either Shareholder then the non-defaulting Shareholder shall be entitled to terminate the agreement and may purchase the defaulting Shareholder's shareholding for no less than 85 per cent. of the fair value of the shareholding. The Shareholders' Agreement is governed by the laws of England and Wales.

9.4.2 Shareholders' Loan Agreement

The Shareholders' Loan Agreement dated 30 July 2014 between KH II, the Company (each a "**Shareholder**") and Empiric (Southampton) Limited and relating to Empiric (Southampton) Limited pursuant to which each Shareholder has agreed to make loan facilities available to Empiric (Southampton) Limited to fund the business. Under the agreement Empiric (Southampton) Limited can request, in writing, for a specified amount (an "**Advance**") not exceeding the maximum amount (£2,500,000 for each of KH II and the Company) for the purposes of meeting its business objectives and each Shareholder will provide the Advance within 10 business days. The Advance made by the Company shall be on an interest free basis. The Advance made by KH II shall attract interest reflecting a 2 per cent. IRR. Each Advance shall be repayable in accordance with the provisions

of the Shareholders' Agreement and immediately upon the sale of Brunswick House, (Southampton). On repayment of the Advance, Empiric (Southampton) Limited shall pay KH II a repayment fee calculated in accordance with the formula set out in the agreement. The Shareholders' Loan Agreement is governed by the laws of England and Wales.

9.4.3 Asset Management Agreement

The Asset Management Agreement dated 30 July 2014 between Empiric (Southampton) Limited, Empiric (Developments) Limited, Timothy Attlee and Paul Hadaway and relating to Empiric (Southampton) Limited. Under this Agreement Empiric (Developments) Limited as Asset Manager will carry out certain services in relation to the management and operation of Empiric (Southampton) Limited on a day to day basis including, under the terms of such appointment, co-ordinating and being responsible for payments owed by Empiric (Southampton) Limited for third party costs.

The Asset Manager shall collaborate with Empiric (Southampton) Limited to develop, update and implement the business plan, appoint third party consultants and/or professionals, maintain the accounts and books, prepare and provide Empiric (Southampton) Limited with agreed management reports, prepare budgets and act as general tenant liaison including for the collection of rents and the maintenance of repairs. If appropriate, Empiric Developments' duties may also extend to assisting with the management of the development including the preparation of appropriate planning applications and entering into agreements with a building contractor in respect of any development works.

In consideration for the performance of its obligations, Empiric Developments shall be paid an amount equal to 3.5 per cent. of the building contract price in relation to the development of Brunswick House (Southampton) (the building contract to be in a form and price agreed by Empiric (Southampton) Limited). The fees shall be paid in quarterly instalments to Empiric Developments for the duration of the development period. The fees can be withheld by Empiric (Southampton) Limited (acting by Revcap alone) if Empiric Developments fails to deliver the management report as and when it falls due.

The appointment of Empiric Developments will continue unless terminated in accordance with the terms of the agreement or if Empiric (Southampton) Limited ceases to own Brunswick House, (Southampton) (and any other properties acquired by it).

The agreement includes key man provisions whereby if Timothy Attlee or Paul Hadaway (as directors of Empiric Developments) cease being a director then Empiric Developments has to find a suitable replacement within 45 days and if it fails to do so then Empiric (Southampton) Limited may terminate the agreement.

The agreement may also be terminated by Empiric (Southampton) Limited (acting by the Revcap directors alone) on three months prior written notice or on termination of the Shareholders' Agreement (the terms of which are summarised in paragraph 9.4.1 above). Empiric (Southampton) Limited (acting by the Revcap directors alone) may terminate the agreement without cause if the Shareholders' Agreement terminates due to an event of default on the part of the Company, if a trigger event occurs, if there is any mismanagement or negligence by Empiric Developments, a material breach of the agreement by Empiric Developments or if the Company ceases to be a shareholder of Empiric (Southampton) Limited.

The Asset Management Agreement is governed by the laws of England and Wales.

9.4.4 Reimbursement Agreement

The Reimbursement Agreement dated 30 July 2014 between KH II, the Company and Empiric (Southampton) Limited to reflect the reimbursement of certain costs from KH II to the Company and the recognition of such payments by Empiric (Southampton) Limited pursuant to the Shareholders' Loan Agreement (the terms of which are summarised in paragraph 9.4.1 above).

In connection with the acquisition of Brunswick House (Southampton) the Company paid the sum of £3,558,978.37 for and on behalf of Empiric (Southampton) Limited. Under the agreement, KH II agreed that within five business days it would pay to the Company the sum of £1,779,489.19, being its proportionate share of the acquisition costs.

Upon this payment, Empiric (Southampton) Limited will attribute KH II's amount of £1,779,489.19 and the Company's amount of £1,779,489.18 as having been drawn down as Advances pursuant to the terms of the Shareholders' Loan Agreement (summarised at paragraph 9.4.2 of this Part 8).

The Reimbursement Agreement is governed by the laws of England and Wales.

9.5 *The Willowbank Joint Venture Documents*

The following documents have been entered into in connection with the joint venture relating to Willowbank (Glasgow):

9.5.1 Shareholders' Agreement

The Shareholders' Agreement dated 28 August 2014 between KH II, the Company, Empiric (Glasgow) Limited, Timothy Attlee and Paul Hadaway and relating to Empiric (Glasgow) Limited. The terms of the Shareholder's Agreement are in materially identical form to the Shareholders' Agreement relating to Empiric (Southampton) Limited, the terms of which are summarised in paragraph 9.4.1 of this Part 8.

9.5.2 Shareholders' Loan Agreement

The Shareholders' Loan Agreement dated 28 August 2014 between KH II, the Company and Empiric (Glasgow) Limited, and relating to Empiric (Glasgow) Limited. The terms of the Shareholder's Loan Agreement are in materially identical form to the Shareholders' Loan Agreement relating to Empiric (Southampton) Limited, the terms of which are summarised in paragraph 9.4.2 of this Part 8.

9.5.3 Asset Management Agreement

The Asset Management Agreement dated 28 August 2014 between Empiric (Glasgow) Limited, Empiric Developments, Timothy Attlee and Paul Hadaway and relating to Empiric (Glasgow) Limited. The terms of the Asset Management Agreement are in materially identical form to the Asset Management Agreement relating to Empiric (Southampton) Limited, the terms of which are summarised in paragraph 9.4.3 of this Part 8.

9.5.4 The Fronting Agreement

The Fronting Agreement dated 28 August 2014 between Empiric (Glasgow) Limited, LCPP and the Company pursuant to which LCPP as trustee agreed to conclude a conditional contract (the “**Missives**”) to acquire Willowbank, implement the instructions of Empiric (Glasgow) Limited as beneficiary concerning any due diligence relevant to Willowbank, submit and conduct any planning appeal or proceedings as may be requested by Empiric (Glasgow) Limited and if various preconditions are completed or waived, to allow Empiric (Glasgow) Limited to take title of Willowbank.

Under the agreement LCPP has agreed to hold the Missives on trust for Empiric (Glasgow) Limited until such time as it can transfer title to Willowbank to Empiric (Glasgow) Limited subject to Empiric (Glasgow) Limited complying with any obligations of a new purchaser in terms of the Missives.

In return Empiric (Glasgow) Limited and the Company shall ensure that LCPP complies fully with its obligations and Empiric (Glasgow) Limited undertakes to pay all professional fees incurred on behalf of it in relation to the conclusion of the Missives, make all payments to be paid by LCPP in terms of the Missives (including the price of Willowbank) to LCPP and make all payments to be paid by the Company in terms of the Guarantee (the terms of which are summarised in paragraph 9.5.5 of this Part 8).

The total aggregate financial liability of the Company to LCPP under the Guarantee and the Fronting Agreement shall not exceed £4 million. The Fronting Agreement is governed by Scots Law.

9.5.5 The Guarantee

The Guarantee dated 15 August 2014 by the Company in favour of Glasgow City Council (the “**Council**”) to guarantee payment of the purchase price of Willowbank in full by LCPP under the Missives and the obligations undertaken by LCPP in terms of the appended minute of agreement in relation to the Council.

The Company, as guarantor, irrevocably and unconditionally guarantees to the Council full and punctual payment and/or performance by LCPP of all of LCPP's present and future obligations (the “**Obligations**”) up to a maximum liability of £4 million and failing payment and/or performance of the Obligations, the Company will make payment or effect performance of the Obligations, together with all costs and expenses reasonably incurred by the Council in connection with the enforcement of this Guarantee together with interest but excluding other liabilities and expenses incurred by the Council by reason of such failure.

Interest is due on the sum in question at 4 per cent. per annum above the base rate from time to time of the Royal Bank of Scotland plc from the date that such sum is due for payment.

The Obligations are primary obligations and if any cease to be valid or enforceable the Company will still be liable to the Council in respect of the Obligations as if they were fully valid and enforceable.

The Guarantee will be enforceable so long as any liability on the part of LCPP in relation to the Missives or the minute of agreement, or on the part of the Company under this Guarantee, remains unfulfilled and will not be discharged or prejudiced

by any release or neglect of an obligation by the Council or any variation of the terms of the minute of agreement or the Missives.

The Council has the right to assign or transfer the Guarantee to any statutory successor of the Council but not to anyone else. The Company has no right to assign or transfer their rights or obligations under the Guarantee. If LCPP sells Willowbank then the Company must provide a replica guarantee to the Council in respect of the obligations of any new owner at which point, provided that the new owner is of sound financial standing and can perform their obligations under their guarantee, the Council shall grant the Company a valid discharge of the Guarantee.

The obligations of LCPP survive liquidation of LCPP and other insolvency events and will continue to be due and outstanding until fully paid or performed by the Company or until it reaches its maximum liability. The Guarantee is governed by Scots law.

9.6 *The Revcap Development Framework Agreement*

The Revcap Development Framework Agreement dated 16 June 2014 between Revcap and the Company. The Revcap Development Framework Agreement sets out a framework under which the Company and Revcap agree to cooperate through a joint venture to identify, acquire, secure planning and develop suitable properties and sites that can be developed or converted into prime student residential accommodation across Russell Group (or similar quality) university cities (a “**Relevant Project**”).

The joint venture parties will seek to secure senior debt on a deal by deal basis at a loan-to-value basis of no greater than 60 per cent. Each project will be acquired via a separate joint venture company and will be owned 50/50 between the Company (or a subsidiary of the Company) and an affiliated Revcap company. For a period of 36 months (the “**Lock up Period**”), both the Company and Revcap will each contribute a maximum of up to £15 million in capital to all such joint venture projects. Such capital will be drawn down from the Company and Revcap, in equal proportion, into development joint ventures as required.

In connection with each joint venture development with Revcap, Empiric Developments will enter into an asset management agreement pursuant to which Empiric Developments will be responsible for the day-to-day project management of each joint venture development. During the construction period, Empiric Developments will receive a fee equal to 3.5 per cent. of the pre-agreed construction cost, payable quarterly. In this role, Empiric Developments will, amongst other things, be responsible, for sourcing investments; business plan implementation; advising on planning matters and managing the planning process; short listing, selection and appointment of third party contractors, architects, engineers and other service providers; contract procurement, construction and development management; managing the construction process and managing the unit leasing and marketing process.

Revcap, as joint venture funding partner alongside the Company, will have monitoring and control rights under the terms of the applicable joint venture agreement that are typical for funding partners in development transactions, including acquisition and disposal decisions; final approval of building contractors; approval of major expenditure items and approval of senior debt terms.

Empiric Developments will also be entitled to receive an incentive profit share from each joint venture development, based on the IRR achieved. Distributions relating to a joint venture project will be distributed in the following order of priority: (i) first, *pari passu*

between the joint venture parties until each has received an IRR of 20 per cent. on invested capital, and (ii) second 20 per cent. to Empiric Developments and 80 per cent. pari passu between the Company and Revcap.

The Company will have a right to procure repayment by a joint venture company of the Revcap shareholder loan and to purchase Revcap's interest in the joint venture company. At any time following practical completion of each property's development, the Company will be able to convene a board meeting of the joint venture company to seek approval for the joint venture company to repay the Revcap's shareholder loan. The Company would present to the board an offer based on a new valuation of the property and an audited balance sheet of the joint venture company. This valuation would be prepared by a suitably qualified valuation firm and would include full details of appropriate comparable transactions which support the level of the valuation. If the offer is approved by unanimous approval of the members' board, the Company would procure that the joint venture company repays Revcap's shareholder loan and pays a repayment fee equal to Revcap's agreed profit share for the project. If this right is exercised, the IRR incentive profit share (if any) due to the Company (as described above) would be reflected in an adjustment to the amount due on repayment of the Revcap shareholder loan.

If, for whatever reason, the joint venture company did not repay the Revcap shareholder loan and repayment fee pursuant to this process, it is intended that the relevant property would be held for investment jointly by both the Company and Revcap. This pre-emption process would be capable of being triggered only once in relation to each relevant transaction. For the avoidance of doubt if the Company did procure that the Revcap shareholder loan is repaid the Company would purchase Revcap's ordinary shares in the joint venture company at par value.

After expiration of the period of 36 months from the entry into the joint venture (the "**Lock-in Period**"), either the Company or Revcap will have the option of winding up the joint venture by providing notice (a "**Trigger Notice**") to the other. If a Trigger Notice were to be served, the following provisions are intended to apply:

- There would be a negotiation period of 3 months during which the parties would discuss in good faith the future of the joint venture and seek a mutually acceptable exit;
- failing successful resolution of the future of the joint venture in the negotiation period, either the Company or Revcap may trigger a "Texas Shootout" under which each shareholder would make a sealed bid for the other shareholder's interest in the joint venture. Each shareholder would have 30 days in which to provide a "sealed bid" to the joint venture's auditors stating a value for 100 per cent. of the equity capital (the "**Equity Value**"), as well as evidence of ability to pay in the event the bidder is required to acquire the other shareholder's shares;
- after evaluation by the auditors, the higher bidder would then be entitled by notice to either (i) acquire the other shareholder's interest in the joint venture at the consideration derived from its own bid or (ii) require the other shareholder to acquire its interest at the consideration derived from the bid level made by that party;
- if the higher bidder fails to exercise either option, the lower bidder would be entitled to buy at the consideration derived from its bid price or require the higher bidder to complete the purchase at the consideration derived from its bid price;
- the consideration payable from one party to the other would be calculated by applying the relevant Equity Value successively to the agreed distribution waterfall.

In all cases where a Texas Shootout is possible, there will be incorporated a period under which “without prejudice” price indications may be exchanged or given in order to identify the other parties’ views (and potentially avoid the full procedure). It is intended that the Texas Shootout can be used prior to the Lock-in Period only in the event of a prolonged, irresolvable and genuine deadlock between the shareholders on a defined major decision.

The Company, Paul Hadaway or Timothy Attlee (or any associates of Paul Hadaway or Timothy Attlee) (together the “**ESP Parties**”), undertake to disclose any Relevant Project to Revcap for a period of 3 years from the date of the agreement that has a total project cost of more than £3,000,000.

Revcap shall have a period of 10 working days after receipt of the final business plan for a Relevant Project to decide whether the opportunity is of interest. In the event that Revcap has not confirmed its intention in writing to joint venture with the Company in relation to a disclosed Relevant Project within the 10 day period noted above, the Company will be free to disclose the opportunity to another party or to undertake the transaction independently (the “**Release Date**”). The ESP Parties undertake not to disclose any particulars of a Relevant Opportunity to any other potential investment partner other than Revcap and not to complete the deal independently until the Release Date.

Save as is required to adjust the agreements to reflect changes to the commercial or legal structure as set out in the Revcap Development Framework Agreement, the individual joint venture agreements for each joint venture company will be based on agreements previously signed between companies advised by Revcap and companies owned and managed by LCPP and its directors unless otherwise agreed by the Company and Revcap.

The Revcap Development Framework Agreement is governed by the laws of England and Wales.

9.7 *The Investment Support Agreement*

The Investment Support Agreement dated 16 June 2014 (as amended) between Revcap and the Company pursuant to which Revcap was appointed by the Company to provide certain investment support services to the Board in connection with the operation of its business including; providing the Board with interpretation of market analysis of the student accommodation sector utilising Revcap’s proprietary knowledge and experience of the sector and the broader real estate market in general; providing high level strategy support, development and monitoring functions to the Board in relation to the development and implementation of the Company’s investment strategy as the Board may request from time to time; providing oversight of, and administrative support in relation to, the due diligence process for the acquisition by the Company of new investments; and providing such other investment support and administrative services as may be agreed between Revcap and the Company from time to time. The agreement with Revcap is non-exclusive.

Under the Investment Support Agreement, the Company has agreed to pay Revcap as consideration for the provision of its services a fee which shall accrue annually at a rate of 0.2 per cent of the Net Asset Value (but, with effect from the first anniversary of the IPO, adjusted to exclude any cash balances held by the Company from time to time), which fee shall be payable in arrears each quarter based on the last published Net Asset Value (calculated before deduction of any accrued fee for that quarter) but subject always to a minimum annual payment of £170,000 (which minimum payment shall be increased to £200,000 with effect from the first date on which the Company shall have either, (i) raised in aggregate new equity funds of at least £100 million, or (ii) achieved a published Net Asset Value of at least £100 million) and a capped maximum annual payment of £300,000. Fees payable will be subject to VAT.

The Company has given certain market standard indemnities in favour of Revcap in respect of Revcap's potential losses in carrying on its responsibilities under the Investment Support Agreement.

The Investment Support Agreement and the appointment of Revcap shall continue in force unless and until terminated by the Company or Revcap giving to the other not less than 12 months' written notice, such notice not to be served before the second anniversary of the IPO. The agreement may also be terminated immediately by the Company on the occurrence of certain events.

The Investment Support Agreement is governed by the laws of England and Wales.

9.8 *The Collegiate Property Management Agreement*

The Collegiate Property Management Agreement dated 16 June 2014 between the Company and Collegiate AC. Under this agreement, Collegiate AC undertakes property and facilities management services in relation to certain of the Group's current properties and agreed future properties owned by the Group including, collaborating with the Company in relation to the marketing and letting of the units in each property, rent collection and credit control services, payment of agreed capital expenditure (at the request of the Group), preparation of operating budgets for approval, overseeing building maintenance, maintenance of tenancy records, acting as tenant liaison and provision to the Company of agreed management reports and performance measures for the properties. These services are provided under the supervision of the Company.

In consideration for its property and asset management and reporting and performance measurement services, Collegiate AC is paid a percentage (ranging between 4.5 and 5.5 per cent.) of the income collected by them on each property, or aggregation of properties, depending on the size and location of each property. In addition, in relation to mobilisation services for new properties (i.e. preparing them for letting), the Company pays Collegiate AC a fixed payment of £150 per bed (subject to a minimum of £15,000 per property). All fees are exclusive of VAT. If occupation of a property is delayed and Collegiate AC is required to manage interim arrangements, it is paid a fixed fee of £4,500 per month plus other direct expenses incurred.

The Collegiate Property Management Agreement may be terminated by the Company on six months' written notice prior to 31 August each year, such notice not to take effect prior to 31 August 2018 and is also terminable on 30 days' notice in the event of breach of a material provision of the agreement (which has not been remedied within twenty working days' notice of such breach) and in certain other circumstances including insolvency and dissolution.

The Company has given certain market standard indemnities in favour of Collegiate AC in respect of Collegiate AC's potential losses in carrying on its responsibilities under the Collegiate Property Management Agreement.

The Collegiate Property Management Agreement is governed by the laws of England and Wales.

9.9 *IPO Placing and Offer Agreement*

The IPO Placing and Offer Agreement dated 16 June 2014 between the Company, the Directors, LCP, Dexion Capital plc and Akur pursuant to which, subject to certain conditions, Dexion Capital plc agreed to use reasonable endeavours to procure subscribers for Shares at the issue price of £1.00 per Share. In addition, under the IPO Placing and Offer Agreement, Akur was appointed as joint financial adviser and Dexion

Capital plc was appointed as sponsor, joint financial adviser, sole global coordinator and bookrunner in connection with the proposed applications for admission of the IPO Shares. The IPO Placing and Offer Agreement was terminable by Dexion Capital plc in certain customary circumstances prior to admission. The Company, LCPP and the Directors gave warranties to Dexion Capital plc and Akur concerning, *inter alia*, the accuracy of the information contained in the IPO prospectus. The Company also gave indemnities to Dexion Capital plc and Akur. The warranties and indemnities given by the Company, LCPP and the Directors were standard for an agreement of this nature. The IPO Placing and Offer Agreement is governed by the laws of England and Wales.

9.10 *Executive Directors Subscription and Lock-up Agreements*

The Executive Directors Subscription and Lock-up Agreements dated 16 June 2014 (as amended by way of amendment agreements dated 26 June 2014) between the Company, Dexion Capital plc and each of the Executive Directors, pursuant to which each of the Executive Directors irrevocably agreed to subscribe for certain Shares pursuant to the IPO. The Executive Directors also agreed, pursuant to the terms of their respective Executive Directors Subscription and Lock-up Agreement, not to transfer, dispose of or grant any options over any of the Shares held at IPO for a period of 18 months following the IPO. The Executive Directors Subscription and Lock-up Agreements contain exceptions customary for agreements of this nature including transfers pursuant to: the acceptance of a takeover offer, participation in any tender offer by the Company or any similar transaction; an order of a court of competent jurisdiction and the prior written approval of the Company and Dexion Capital plc (which approval may be granted or declined at their absolute discretion). The Executive Directors Subscription and Lock-up Agreements are each governed by the laws of England and Wales.

9.11 *Revcap Subscription and Lock-up Agreement*

The Revcap Subscription and Lock-up Agreement dated 16 June 2014 (as amended by way of an amendment agreement dated 26 June 2014) between the Company, Dexion Capital plc and Revcap pursuant to which Revcap irrevocably agreed to subscribe (or to procure that an affiliate or fund advised by it subscribes) for certain Shares in the IPO. Revcap also agreed it will not (and agreed to procure that any affiliate or fund advised by it that subscribes for Shares will not) transfer, dispose of or grant any options over any of the Shares held at IPO for a period of 18 months following the IPO. The Revcap Subscription and Lock-up Agreement contains exceptions customary for agreements of this nature including transfers pursuant to: the acceptance of a takeover offer; participation in any tender offer by the Company or any similar transaction; an order of a court of competent jurisdiction and the prior written approval of the Company and Dexion Capital plc (which approval may be granted or declined at their absolute discretion). The Revcap Subscription and Lock-up Agreement is governed by the laws of England and Wales.

9.12 *The Administration and Company Secretarial Agreement*

The Administration and Company Secretarial Agreement dated 16 June 2014 between the Company and IOMA Fund and Investment Management Limited pursuant to which the Administrator agreed to act as company secretary and administrator to the Company and its subsidiaries.

Under the terms of the Administration and Company Secretarial Agreement, the Administrator is entitled to a fee of £30,000 per annum (exclusive of VAT). This fee is subject to review annually.

The Administration and Company Secretarial Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator, its affiliates and their

directors, officers, employees and agents from and against any and all losses incurred by such parties resulting or arising from the Company's breach of the Administration and Company Secretarial Agreement except to the extent that any such claims have resulted from the negligence, fraud, breach of the Administration and Company Secretarial Agreement.

The Administration and Company Secretarial Agreement is terminable, *inter alia*, (i) upon six months' written notice or (ii) immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within thirty days of written notice being given).

The Administration and Company Secretarial Agreement is governed by the laws of England and Wales.

9.13 *The Registrar Agreement*

The Registrar Agreement dated 16 June 2014 between the Company and Computershare Investor Services PLC pursuant to which the Registrar agreed to act as registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

The Registrar Agreement may be terminated on six months' notice by either party, such notice not to expire prior to the end of the second year of appointment and is also terminable on shorter notice in the event of breach of the agreement or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar's Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar Agreement is governed by the laws of England and Wales.

9.14 *The Receiving Agent Agreement*

The Receiving Agent Agreement dated 30 October 2014 between the Company and Computershare Investor Services PLC pursuant to which the Receiving Agent has agreed to act as receiving agent in connection with the Initial Offer for Subscription and the U.S. Private Placement. Under the terms of the agreement, the Receiving Agent is entitled to a fee at an hourly rate, plus a processing fee per application. The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses reasonably incurred by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liabilities under the Receiving Agent Agreement are subject to a cap.

The Receiving Agent Agreement is governed by the laws of England and Wales.

10. LITIGATION

There are 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, a significant effect on the Company and/or the Group's financial position or profitability.

11. NO SIGNIFICANT CHANGE

Save to the extent disclosed below, there has been no significant change in the financial or trading position of the Group since 31 July 2014, being the date to which the Group's audited financial information has been prepared:

- 11.1 on 22 August 2014, Empiric (Edge Apartments) Limited completed the acquisition of Edge Apartments (Birmingham) for a purchase price of £8,940,000;
- 11.2 on 2 September 2014, Empiric (Centro Court) Limited completed the acquisition of Centro Court (Aberdeen) for a purchase price of £6,500,000;
- 11.3 on 30 September 2014, Empiric (Talbot Studios) Limited completed the acquisition of Talbot Studios (Nottingham) for a purchase price of £8,200,000;
- 11.4 on 24 October 2014, RBS made available to the Group an investment term loan of up to £35.5 million, secured on a number of the Group's operating property assets;
- 11.5 on 29 October 2014, Empiric (Alwyn Court) Limited exchanged contracts to acquire Alwyn Court (Cardiff) for a purchase price of £3,500,000;
- 11.6 on 29 October 2014, Empiric (Northgate House) Limited exchanged contracts to acquire Northgate House (Cardiff) for a purchase price of £5,200,000. Completion of the acquisition is conditional on practical completion of the property;
- 11.7 the first interim dividend of 1.5 pence per Share was today declared in relation to the period from the IPO to 30 September 2014.

12. RELATED PARTY TRANSACTIONS

Save for the entry into of, (i) the sale and purchase agreements relating to the acquisition of College Green (Bristol), Summit House (Cardiff), Picturehouse Apartments (Exeter) and Edge Apartments (Birmingham), (ii) the Guarantee, and (iii) the Fronting 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.

13. PRINCIPAL BASES AND ASSUMPTIONS

The Principal Bases and Assumptions used in calculating the dividends, total shareholder return and targeted annual growth in Net Asset Value figures given in this Registration Document in relation to the Shares are:

Initial Issue size	£65.65 million
Investment basis	Net Proceeds of the Initial Issue are invested on an approximately straight line basis from Initial Admission to the end of March 2015, with assets being acquired with similar return and gearing parameters as for the existing Property Portfolio
Occupancy assumption	98 per cent.
Tenancy contract length	51 weeks
Rental inflation	3.0 per cent. per annum
Total expense ratio	1.2 per cent. at the time of full investment of the net proceeds of the Initial Issue
Leverage ratio (LTV)	40 per cent.
Development portfolio allocation	Average of 15 per cent. of Net Asset Value (measured at the time of full investment of the net proceeds of the Initial Issue and including land value)
Development portfolio, IRR target	50 per cent., based on an even accrual of returns over the development period
Joint venture management fee	The Company will earn 3.5 per cent. of the total contract value to develop the property, this represents approximately a 10 per cent. return on the Company's equity during the development phase
Development portfolio timing (acquisition to practical completion)	12-24 months from deployment of development capital

Shareholders should note that these principal bases and assumptions do not constitute a profit forecast and the Company's actual returns will be based on a number of factors, any one of which, if not achieved, may result in a lower rate of return to Shareholders.

14. GENERAL

- 14.1 CBRE Limited has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which it appears and has authorised the contents of the Valuation Report for the purposes of Prospectus Rule 5.5.3R(2)(c). CBRE accepts responsibility for the Valuation Report. 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 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 as a private limited company under the Companies Act 2006 (registered number 03536032). CBRE's

registered office is situated at St Martin's Court, 10 Paternoster Row, London EC4M 7HP (telephone number 0207 182 2000).

- 14.2 BDO LLP of 55 Baker Street, London W1U 7EU is the auditor and reporting accountant for the 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 its accountant's report relating to the historical information in Part C of Part 5, in the form and context in which it is included and has authorised the contents of this report 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 firm of the Institute of Chartered Accountants in England and Wales.
- 14.3 Collegiate Accommodation Consulting Ltd (trading as Collegiate AC) was incorporated in England and Wales on 3 May 2011 as a private limited company under the Companies Act 2006 (registered number 07619022). Collegiate AC's registered office is situated at Unit 12, Home Farm, School Road, Ardington, Oxfordshire OX12 8PD (telephone number 01235 250 140).
- 14.4 Aberdeen Property Leasing Ltd was incorporated in Scotland on 18 December 1992 as a private limited company under the Companies Act 2006 (registered number SC141851). Aberdeen Property Leasing Ltd's registered office is situated at Rosemount House, 138-140 Rosemount Place, Aberdeen AB25 2YU (telephone number 01224 635 355).
- 14.5 Corporate Residential Management Ltd (trading as CRM Students) was incorporated in England and Wales as a private limited company under the Companies Act 2006 (registered number 04886412). Corporate Residential Management Ltd's registered office is situated at Hanbrough House, 5 Wallbrook Court, North Hinksey Lane, Oxford OX2 0QS (telephone number 01865 207 200).
- 14.6 Tenant Direct Ltd was incorporated in England and Wales as a private limited company under the Companies Act 2006 (registered number 05855612). Tenant Direct Ltd's registered office is situated at 191 Shirley Road, Shirley, Southampton, Hampshire SO15 3FG (telephone number 023 8033 2230).
- 14.7 Where third party information has been referenced in this Registration Document, the source of that third party information has been disclosed. All information 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.
- 14.8 The accounting reference date of the Company is 30 June.

15. DOCUMENTS AVAILABLE FOR INSPECTION

- 15.1 Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Wragge Lawrence Graham & Co LLP, 4 More London Riverside, London SE1 2AU during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of this Registration Document:
 - 15.1.1 the memorandum of association of the Company and the Articles;
 - 15.1.2 the BDO accountant's report as reproduced in Section B of Part 5;
 - 15.1.3 the financial information on the Group for the period to 31 July 2014 as reproduced in Section C of Part 5;
 - 15.1.4 the Valuation Report; and
 - 15.1.5 this Registration Document, the Summary and the Securities Note.

PART 9

DEFINITIONS AND GLOSSARY

The following definitions apply throughout this Registration Document unless the context requires otherwise:

Administration and Company Secretarial Agreement	the administration and company secretarial agreement between the Company and the Administrator, a summary of which is set out in paragraph 9.12 of Part 8 of this Registration Document
Administrator	IOMA Fund and Investment Management Limited, in its capacity as the Company's administrator and company secretary
Admission	admission to trading on the London Stock Exchange's Main Market of any Shares becoming effective in accordance with the LSE Admission Standards and admission of any Shares to the premium listing segment of the Official List becoming effective in accordance with the Listing Rules
AIF	an alternative investment fund
AIFM	an alternative investment fund manager
AIFM Directive	the European Union's Alternative Investment Fund Managers directive (No. 2071/61/EU) and all legislation made pursuant thereto, including, where applicable, the applicable implementing legislation and regulations in each member state of the European Union
AIFM Regulations	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773)
Akur	Akur Limited
Articles	the articles of association of the Company
Audit Committee	the audit committee of the Board
Business Day	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
Capital gains tax or CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
certificated or in certificated form	not in uncertificated form
Collegiate AC	Collegiate Accommodation Consulting Limited
Collegiate Property Management Agreement	the property management agreement between the Company and Collegiate AC, a summary of which is set out in paragraph 9.8 of Part 8 of this Registration Document

Companies Act or Act	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company	Empiric Student Property plc
CREST Manual	the compendium of documents entitled “CREST Manual” issued by Euroclear from time-to-time
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CTA 2009	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
Directors or Board	the board of directors of the Company
direct let agreements	direct leases and/or licences for a dwelling with students
Disclosure and Transparency Rules	the disclosure and transparency rules made by the Financial Conduct Authority under Section 73A of FSMA
Distribution	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	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	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
EBT	the employee benefit trust of the Group under which the LTIP operates
EBT Trustee	Empiric Student Property Trustees Limited, the wholly-owned subsidiary of the Company established to act as the trustee of the EBT
Empiric Developments	Empiric (Developments) Limited, the wholly-owned subsidiary of the Company established to receive development management fees from the Group’s development projects

ERISA	U.S. Employee Retirement Income Security Act of 1976, as amended
EU	the European Union
Euro	the lawful currency of the EU
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
Excess Charge	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 under Section 551 of the CTA 2010 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
Executive Directors	the executive directors of the Company being at the date of this Registration Document, Paul Hadaway, Timothy Attlee and Michael Enright
FCA	the Financial Conduct Authority
Financial Information	the audited consolidated financial information of the Group for the period from incorporation to 31 July 2014, as set out at Part C of Part 5 of this Registration Document
FRI	full repairing and insuring
Fronting Agreement	the agreement dated 28 August 2014 entered into between Empiric (Glasgow) Limited, LCPP and the Company, a summary of which is set out in paragraph 9.5.4 of Part 8 of this Registration Document
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
Future Securities Note	a securities note to be issued in the future by the Company in respect of each issue, if any, of Shares (other than pursuant to the Initial Issue) made pursuant to this Registration Document and subject to separate approval by the FCA
Future Summary	a summary to be issued in the future by the Company in respect of each issue, if any, of Shares (other pursuant to the Initial Issue) made pursuant to this Registration Document and subject to separate approval by the FCA
General Meeting	the general meeting of the Company to be held at 10.30 a.m. on 17 November 2014
Group	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010
Gross Asset Value	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time

Guarantee	the guarantee dated 15 August 2014 entered into between the Company and Glasgow City Council, a summary of which is set out in paragraph 9.5.5 of Part 8 of this Registration Document
HEI	higher education institute
HMRC	Her Majesty's Revenue and Customs
IFRS	International Financial Reporting Standards as adopted by the European Union
Initial Period	has the meaning set out in paragraph 6.2 of Part 8 of this Registration Document
Initial Admission	Admission pursuant to the Initial Issue
Initial Issue	together, the Initial Placing, the Initial Offer for Subscription and the U.S. Private Placement
Initial Offer for Subscription	the first offer for subscription of Shares pursuant to the Share Issuance Programme (and forming part of the Initial Issue) which is expected to close on or around 19 November 2014
Initial Placing	the first placing of Shares pursuant to the Share Issuance Programme (and forming part of the Initial Issue) which is expected to close on or around 19 November 2014
interest in the Company	includes, without limitation, an interest in a Distribution made or to be made by the Company
Investment Support Agreement	the investment support agreement entered into between the Company and Revcap, a summary of which is set out in paragraph 9.7 of Part 8 of this Registration Document
IPO	the admission to trading on the London Stock Exchange's Main Market of the share capital of the Company and admission of Shares to the premium listing segment of the Official List on 30 June 2014
IPO Placing and Offer Agreement	the placing and offer agreement dated 16 June 2014 entered into between the Company, the Directors, LCPP, Akur and Dexion Capital plc, a summary of which is set out in paragraph 9.9 of Part 8 of this Registration Document
IRR	internal rate of return
ISA	UK individual savings account
ISIN	International Securities Identification Number
ITA	the Income Tax Act 2007 and any statutory modification or re-enactment thereof for the time being in force
Jefferies	Jefferies International Limited

Joint Financial Advisers	Akur and Jefferies (acting in their capacity as joint financial advisers to the Company) and reference to Joint Financial Adviser shall be construed accordingly
LCPP	London Cornwall Property Partners Limited
let	the grant of a lease or licence to occupy
LIBOR	London Interbank Offered Rate
Listing Rules	the listing rules made by the UK Listing Authority pursuant to Part VI of the FSMA
London Stock Exchange	London Stock Exchange plc
LTIP	the Company's long term incentive plan, a summary of the key terms of which is set out in paragraph 6 of Part 8 of this Registration Document
Main Market	the London Stock Exchange's main market for listed securities
member account ID	the identification code or number attached to any member account in CREST
Net Asset Value or NAV	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
Net Asset Value per Share or NAV per Share	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation
Nominations Committee	the nominations committee of the Board
Non-PID Dividend	a distribution by the Company which is not a PID
Office	the registered office for the time being of the Company
Official List	the Official List of the UK Listing Authority
Opening Value	has the meaning set out in paragraph 6.2 of Part 8 of this Registration Document
Overseas Persons	a potential investor who is not resident in, or who is not a citizen of, the UK
Performance Condition	has the meaning set out in paragraph 6.2 of Part 8 of this Registration Document
Performance Period	has the meaning set out in paragraph 6.2 of Part 8 of this Registration Document
person	includes a body of persons, corporate or unincorporated, wherever domiciled

Placing and Offer for Subscription Agreement	the placing and offer for subscription agreement between the Company, the Directors, Jefferies and Akur, a summary of which is set out in paragraph 9.1 of Part 8 of this Registration Document
PID or Property Income Distribution	the distribution by the Company of the profits of the Company's Property Rental Business by way of a dividend in cash or the issue of share capital in lieu of a cash dividend in accordance with Section 530 of the CTA 2010
Principal Bases and Assumptions	the principal bases and assumptions set out in paragraph 13 of Part 8 of this Registration Document
Property Portfolio	the investment portfolio of the Company, the current property portfolio as at the date of this Registration Document is set out in Part 2 of this Registration Document
Property Rental Business	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
Prospectus Directive	the EU Prospectus Directive 2003/71/EC
Prospectus Rules	the prospectus rules made by the Financial Conduct Authority under Section 73A of FSMA
RBS	The Royal Bank of Scotland Plc
RBS Loan	the investment term loan facility of up to £35.5 million pursuant to the RBS Facility Agreement
RBS Facility Agreement	the facility agreement dated 24 October 2014 between (<i>inter alium</i>) Empiric Investments (One) Limited, RBS (acting as agent for National Westminster Bank Plc) and the financial lenders listed therein, a summary of which is set out in paragraph 9.2 of Part 8 of this Registration Document
Receiving Agent	Computershare Investor Services PLC, in its capacity as the Company's receiving agent
Receiving Agent Agreement	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 9.14 of Part 8 of this registration document
Register	the register of members of the Company
Registrar	Computershare Investor Services PLC, in its capacity as the Company's registrar
Registrar Agreement	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 9.13 of Part 8 of this Registration Document
Regulation S	Regulation S promulgated under the U.S. Securities Act

Regulatory Information Service	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
REIT or Real Estate Investment Trust	a Real Estate Investment Trust as defined in Part 12 of the CTA 2010
REIT Notice	the notice by the Company for the Group to become a REIT
Relevant Member State	a member state of the European Economic Area which has implemented the Prospectus Directive
Relevant Registered Shareholder	a Shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
Remuneration Committee	the remuneration committee of the Board
Residual Business	that part of the business of companies within a REIT that is not part of the Property Rental Business
Reporting Obligation	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, or the Group's status as a REIT
Revcap	Revcap Advisors Limited
Revcap Development Framework Agreement	the joint venture development framework agreement between the Company and Revcap, a summary of which is set out in paragraph 9.6 of Part 8 of this Registration Document
Revcap Subscription and Lock-up Agreement	the subscription and lock-up agreement between the Company, Dexion Capital plc and Revcap, a summary of which is set out in paragraph 9.11 of Part 8 of this Registration Document
RICS	Royal Institution of Chartered Surveyors
RPI	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
Russell Group	the Russell Group is an association of 24 British public research universities
SDLT	stamp duty land tax
SDRT	stamp duty reserve tax
Securities Note	the securities note dated 30 October 2014 issued by the Company in respect of the Shares made available pursuant to this Registration Document and approved by the FCA
Shareholder	a holder of Shares
Share Issuance Programme	the programme under which the Company intends to issue Shares in Tranches on the terms set out in the Summary and

	the Securities Note (and any Future Summary and Future Securities Note)
Shares	ordinary shares of £0.01 each in the capital of the Company
SIPP	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
soft nominations agreement	a <i>pari passu</i> marketing arrangement with an HEI to place their students in private accommodation
SSAS	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
Sterling or £	the lawful currency of the United Kingdom
Subsequent Period	has the meaning set out in paragraph 6.2 of Part 8 of this Registration Document
Substantial Shareholder	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under Section 551 of CTA 2010 (as such legislation 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 CTA 2010
Substantial Shareholding	the Shares in relation to which or by virtue of which (in whole or in part) a person is a Substantial Shareholder
Summary	the summary dated 30 October 2014 issued by the Company pursuant to this Registration Document and the Securities Note and approved by the FCA
Takeover Code	the UK City Code on Takeovers and Mergers
Tranches each a Tranche	a tranche of Shares issued under the Share Issuance Programme
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
UKLA Model Code	the Model Code for directors' dealings contained in the Listing Rules of the UKLA
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
UK Money Laundering Regulations	the UK Money Laundering Regulations 2007, as amended
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland

United States of America, United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Code	U.S. Internal Revenue Code, as amended
U.S. Exchange Act	U.S. Exchange Act of 1934, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Private Placement	the limited Private Placement by the Company to certain U.S. Persons to subscribe for Shares and forming part of the Initial Issue
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Valuation Report	the valuation report prepared by CBRE in relation to the Property Portfolio as at the date of this Registration Document, as set out at Part 6 of this Registration Document
Valuer or CBRE	CBRE Limited, in its capacity as the Company's independent valuer
VAT	value added tax
Willowbank	the former Willowbank Primary School, Glasgow, further details of which are set out in Part 2 of this Registration Document

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 Empiric Student Property Plc (the "**Company**") (the "**Prospectus**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made pursuant to section 73A of FSMA, has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at www.espreit.co.uk.

The Prospectus is being issued in connection with the issue of up to 300 million Shares pursuant to the Share Issuance Programme. The Company may issue up to 300 million Shares in one or more tranches (including the Initial Issue) throughout the period commencing 30 October 2014 and ending 29 October 2015 pursuant to the Share Issuance Programme.

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Shares issued pursuant to the Share Issuance Programme to be admitted to listing on the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities.

EMPIRIC STUDENT PROPERTY PLC

(Incorporated in England and Wales with registered number 08886906 and registered as an investment company under Section 833 of the Companies Act)

SECURITIES NOTE

Share Issuance Programme of up to 300 Million Shares

**Sponsor, Joint Financial Adviser and
Sole Global Coordinator and Bookrunner**

JEFFERIES INTERNATIONAL LIMITED

Joint Financial Adviser

AKUR LIMITED

The Company and each of the Directors, whose names appear on page 9 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 6 to 8 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 Share Issuance Programme and the Initial Admission, will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the Share Issuance Programme and the Initial Admission 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 Share Issuance Programme, the Initial Admission, the contents of the Prospectus or any matters referred to therein.

Akur Limited ("**Akur**") is authorised and regulated in the United Kingdom by the FCA. Akur is acting exclusively for the Company and for no-one else in connection with the Share Issuance Programme and the Initial Admission, will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the Share Issuance Programme or the Initial Admission 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 Share Issuance Programme, the Initial Admission, 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 Shares 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.

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 Group 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 Shares made pursuant to the Share Issuance Programme, under any circumstances, create any implication that there has been no change in the affairs of the Group since, or that the information contained herein is correct at any time subsequent to, the date of the Prospectus.

In connection with 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 Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Shares and other securities of the Company or related investments in connection with the Share Issuance Programme or otherwise. Accordingly, references in the Prospectus to 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 Shares 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 or regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only (i) outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder and (ii) pursuant to a private placement to persons located inside the United States or U.S. Persons that are "qualified institutional buyers" (as the term is defined in Rule 144A under the U.S. Securities Act) that are also "qualified purchasers" within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") in reliance on the exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Copies of this Securities Note, the Registration Document and the Summary (along with any Future Securities Note and Future Summary) will be available on the Company's website (www.espreit.co.uk) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm.

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EXPECTED TIMETABLE

Initial Issue

Initial Offer for Subscription closes	11.00 a.m. on 19 November 2014
Initial Placing and U.S. Private Placement closes	3.00 p.m. on 19 November 2014
Announcement of the results of the Initial Issue	20 November 2014
Initial Admission and crediting of CREST accounts in respect of the Initial Issue	24 November 2014

Further Tranches pursuant to the Share Issuance Programme

Admission and crediting of CREST accounts in respect of subsequent Tranches	8.00 a.m. on the Business Day on which the Shares are issued
Share Issuance Programme closes	29 October 2015

Other key dates

General Meeting	10.30 a.m. on 17 November 2014
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The times and dates set out in the expected timetable and mentioned throughout this Securities Note may, in certain circumstances, be adjusted by the Company, in which event details of the new times and dates will be notified, as required, to the UKLA and the London Stock Exchange and, where appropriate, Shareholders and an announcement will be made through a Regulatory Information Service. All references to times in this Securities Note are to London time unless otherwise stated.

INITIAL ISSUE STATISTICS

Issue Price	101 pence per Share
Shares being issued*	up to 65 million Shares
Gross Proceeds*	up to £65.65 million
Estimated Net Proceeds*	up to £64.34 million

* The number of Shares to be issued pursuant to the Initial Issue, and therefore the Gross Proceeds and the Net Proceeds of the Initial 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 Initial Admission. If the Initial Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

SHARE ISSUANCE PROGRAMME STATISTICS

Maximum number of Shares being made available under the Share Issuance Programme	300 million
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Share Issuance Programme price	NAV per Share plus a premium*
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* Further terms and conditions of issues of Shares under the Share Issuance Programme will, to the extent necessary, be contained in a Future Securities Note and Future Summary for each such issue.

DEALING CODES

The dealing codes for the Shares are as follows:

ISIN	GB00BLWDVR75
SEDOL	BLWDVR7
Ticker	ESP

RISK FACTORS

The Directors believe the risks described below are the material risks relating to an investment in the Shares at the date of this Securities Note. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Securities Note, may also have an adverse effect on the performance of the Company and the value of the Shares. Investors should review this Securities Note as well as the information contained in the Registration Document carefully and in its entirety and consult with their professional advisers before making an application to invest in the Shares.

RISKS RELATING TO THE SHARES

The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share

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

The value and/or market price of the Shares may go down as well as up

Prospective investors should be aware that the value and/or market price of the Shares may go down as well as up and that the market price of the 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 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 Shares or other securities exchangeable for, or convertible into, its Shares in the future, the addition or departure of Board members (in particular any of the Executive Directors), expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the UK 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 have a material adverse effect on the market price for the Shares. The market value of the 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 Shares.

Issue price of Shares under the Share Issuance Programme

The issue price of the Shares issued on a non-pre-emptive basis under the Share Issuance Programme cannot be lower than the NAV per Share. The issue price of such Shares will be calculated by reference to the latest published unaudited NAV per Share. Such NAV per Share is determined on the basis of the information available to the Company 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 NAV of the Shares may have been diluted.

The market price of the Shares may rise or fall rapidly

General movement in local and international stock markets and real estate markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions may all affect the market price of the Shares. To optimise returns, Shareholders may need to hold the Shares for the long term and the Shares are not suitable for short term investment.

The Company will in the future issue new equity, which may dilute Shareholders' equity

The Company is seeking to issue new equity in the future pursuant to the Share Issuance Programme or otherwise. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied, and will be disapplied in relation to the maximum amount of shares that may be issued pursuant to the Share Issuance Programme. Where statutory 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.

Future sales of Shares could cause the market price of the Shares to fall

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

The Company may not have adequate distributable profits to allow the Company to return capital to Shareholders

Investors are reminded that, in accordance with the Companies Act, Shares may only be repurchased out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of distributable profits (including any reserve arising out of the cancellation of the Company's share premium account). There can be no assurance that the Company will have any such proceeds or distributable profits to allow the Company at any time to utilise any granted buy-back authority and to thereby return capital to Shareholders.

In the event of a winding-up of the Company, the Shares will rank behind any creditors of the Company and, therefore, any positive return for holders of Shares will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

The Shares may be subject to significant forced transfer provisions

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or with any securities or regulatory authority of any state or other jurisdiction in the United States. Moreover, the Shares are only being offered and sold (i) outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act) and (ii) pursuant to the U.S. Private Placement to persons located inside the United States or U.S. Persons that are "qualified institutional buyers" (as the term is defined in Rule 144A under the U.S. Securities Act) that are also "qualified purchasers" within the meaning of Section 2(a)(51) of the U.S. Investment Company Act in reliance on the exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act.

If at any time the holding or beneficial ownership of any Shares in the Company by any person (whether on its own or taken with other Shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its Shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”) and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Exchange Act; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such Shares to dispose of such Shares and, if the Shareholder does not sell such Shares, may dispose of such Shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and shareholders of the Company generally to sell the Shares and may have an adverse effect on the market value of the Shares.

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	<p>Brenda Dean (The Rt Hon Baroness Dean of Thornton-le-Fylde) (<i>Chairman</i>)</p> <p>Paul Hadaway (<i>Chief Executive Officer</i>)</p> <p>Timothy Attlee (<i>Chief Investment Officer</i>)</p> <p>Michael Enright (<i>Chief Finance Officer</i>)</p> <p>Stephen Alston (<i>Non-Executive Director</i>)</p> <p>Jim Prower (<i>Non-Executive Director</i>)</p> <p>Alexandra Mackesy (<i>Non-Executive Director</i>)</p> <p>all of the registered office below:</p>
Registered Office	<p>6-8 James Street</p> <p>London</p> <p>W1U 1ED</p> <p>Tel: +44 (0)20 3772 2780</p> <p>Website: www.espreit.co.uk</p>
Joint Financial Advisers	<p>Akur Limited</p> <p>23 Bruton Street</p> <p>Mayfair</p> <p>London</p> <p>W1J 6QF</p> <p>Jefferies International Limited</p> <p>Vintners Place</p> <p>68 Upper Thames Street</p> <p>London</p> <p>EC4V 3BJ</p>
Sponsor, Sole Global Coordinator and Bookrunner	<p>Jefferies International Limited</p> <p>Vintners Place</p> <p>68 Upper Thames Street</p> <p>London</p> <p>EC4V 3BJ</p>
Legal Adviser to the Company	<p>Wragge Lawrence Graham & Co LLP</p> <p>4 More London Riverside</p> <p>London</p> <p>SE1 2AU</p>
Legal Adviser to the Sponsor, Joint Financial Advisers and Sole Global Coordinator and Bookrunner	<p>Norton Rose Fulbright LLP</p> <p>3 More London Riverside</p> <p>London</p> <p>SE1 2AQ</p>
Administrator and Company Secretary	<p>IOMA Fund and Investment Management Limited</p> <p>7 Cavendish Square</p> <p>London</p> <p>W1G 0PE</p>

Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ
Receiving Agent	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
Auditor and Reporting Accountant	BDO LLP 55 Baker Street London W1U 7EU
Valuer	CBRE Limited Henrietta House Henrietta Place London W1G 0NB

IMPORTANT INFORMATION

GENERAL

The Prospectus should be read in its entirety before making any application for 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 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.

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

Statements made in this Securities Note are based on the law and practice in force in England and Wales as at the date of this Securities Note and are subject to changes therein.

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 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.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to the Share Issuance Programme to the public in that Relevant Member State prior to the publication of a prospectus in relation to the 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 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 Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under 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 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 Shares to be offered so as to enable an investor to decide to purchase or subscribe for the 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.

In addition, Shares will only be offered to the extent that the Company: (i) is permitted to be marketed into the relevant EEA jurisdiction pursuant to either Article 36 or 42 of the AIFM Directive (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

FOR THE ATTENTION OF RESIDENTS OF SWITZERLAND

Neither the Shares nor the Prospectus or any other offering material relating to the Company may be distributed in or from Switzerland. The Company is not authorised by or registered with the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”) under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). Therefore, investors do not benefit from protection under CISA or supervision by FINMA. Neither the Prospectus nor any other offering or marketing material relating to the Company constitutes a prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations or a prospectus pursuant to the CISA.

FORWARD-LOOKING STATEMENTS

The Prospectus contains forward looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These 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 is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules.

Nothing in the preceding two paragraphs should be taken as qualifying the working capital statement in paragraph 5 of Part 4 of this Securities Note.

PRESENTATION OF FINANCIAL INFORMATION

The Company prepares its financial information under IFRS. 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.

NO INCORPORATION OF WEBSITE INFORMATION

The Company's website address is www.espreit.co.uk. The contents of the Company's website do not form part of this Securities Note.

PART 1

REASONS FOR THE SHARE ISSUANCE PROGRAMME

Background to and benefits of the Share Issuance Programme

Since its initial public offering on 30 June 2014, 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 Property Portfolio consists of the following investments and comprises a mix of operating properties and development and forward funded projects:

Operating properties

Name	Location	No. of Beds	Occupancy for 2014/2015	Date of acquisition	Title	Market value as at 29 Oct 2014 (£)
College Green	Bristol	84	100%	July 2014	Leasehold ⁽¹⁾	10,130,000
Picturehouse Apartments	Exeter	102	97%	July 2014	Freehold	11,522,000
Summit House	Cardiff	87	100%	July 2014	Freehold	9,610,000
Edge Apartments	Selly Oak, Birmingham	77	100%	August 2014	Freehold	8,940,000
The Brook	Selly Oak, Birmingham	106	100%	July 2014	Freehold	12,410,000
Centro Court	Aberdeen	56	100%	September 2014	Freehold	6,710,000
London Road	Southampton	46	100% ⁽²⁾	–	Freehold/Leasehold	4,000,000
Talbot Studios	Nottingham	98	100%	September 2014	Freehold	8,500,000
Alwyn Court	Cardiff	51	100%	October 2014	Freehold	3,740,000
Northgate House ⁽³⁾	Cardiff	67	–	–	Freehold	5,600,000
Total		774				81,162,000

⁽¹⁾ 150 year lease, started in August 2010.

⁽²⁾ The Group has exchanged contracts to acquire London Road (Southampton). Completion of the acquisition will occur by 30 November 2014. The vendor has provided a 100 per cent. rental guarantee for the 2014/2015 academic year.

⁽³⁾ The Group has exchanged contracts to acquire Northgate House parts of which are still currently under construction. Completion of the acquisition will take place on practical completion which is scheduled to occur in January 2015. The vendor has provided a 100 per cent. rental guarantee for the 2014/2015 academic year in respect of the parts of the property which are not currently let. The market value is based on the special assumption that Northgate House has reached practical completion and is fully let at the date of valuation.

Development and forward funded projects

Name	Location	Proposed no. of beds	Date of acquisition	Total investment to completion (£ million)	Estimated completion date	Market value as at 29 Oct 2014 ⁽¹⁾ (£)
<i>Forward funded projects</i>						
Buccleuch Street	Edinburgh	86	July 2014	8.7	May 2016	3,190,000
<i>Development projects</i>						
Brunswick House	Southampton	173	July 2014	6.9 ⁽³⁾	September 2015	1,800,000 ⁽²⁾
Willowbank ⁽⁴⁾	Glasgow	178	–	6.7 ⁽³⁾	September 2016	–

⁽¹⁾ Value based on progress of the development of the asset to 29 October 2014.

⁽²⁾ This figure represents the value of the Group's 50 per cent. joint venture interest in the property.

⁽³⁾ The total investment to completion figure excludes Revcap's contribution.

- (4) London Cornwall Property Partners Limited (“LCPP”), acting on behalf of Empiric (Glasgow) Limited, has concluded missives (equivalent to exchange of contracts under English law) with Glasgow City Council in relation to the acquisition of Willowbank. Completion of the acquisition of Willowbank will be subject to receipt of planning approval and listed building consent to redevelop the building into direct-let premium student accommodation. LCPP is a company controlled by Timothy Attlee and Paul Hadaway, Executive Directors of the Company. It has been agreed that Willowbank will be transferred from LCPP to Empiric (Glasgow) Limited shortly after completion of the purchase. LCPP will receive no economic benefit from its role in the transaction. Due to the current status of Willowbank, it has not been valued for the purposes of the Valuation Report set out in Part 6 of the Registration Document.

Each of the development projects is being undertaken via 50:50 joint venture arrangements with Revcap Advisors Limited.

The Directors believe that the Share Issuance Programme will have the following principal benefits for Shareholders:

- (a) the net proceeds of the Share Issuance Programme will be used to invest further in student accommodation assets, thereby further growing and diversifying the Property Portfolio;
- (b) it will allow the Company to tailor future equity issuance to its immediate pipeline, providing flexibility and minimising cash drag;
- (c) it will enable the Company to raise additional capital quickly, in order to take advantage of discrete pipeline investment opportunities;
- (d) growing the Company, will spread operating costs over a larger capital base which should reduce the total expense ratio; and
- (e) further issues of Shares could partially satisfy market demand from time to time for Shares and improve liquidity in the market for Shares.

It is intended that all new Shares under the Share Issuance Programme will be issued at a premium to the prevailing Net Asset Value per Share, after related costs have been deducted.

The Company’s stated longer term objective is to grow the Property Portfolio to a target size of 8,000 to 10,000 beds. The Company is therefore launching the Share Issuance Programme to issue, in aggregate, up to 300 million Shares in order to move closer to this objective.

The Initial Issue

Pursuant to the Share Issuance Programme, the Company is proposing to issue an initial Tranche of up to 65 million Shares pursuant to the Initial Issue. The Initial Issue will together comprise the Initial Placing, the Initial Offer for Subscription and the U.S. Private Placement.

Pipeline investments

In addition to the recent exchange of contracts in relation to Alywn Court (Cardiff) and Northgate House (Cardiff), the Company is in final stage negotiations on two forward funded assets and one standing operating property. These assets comprise an aggregate of 337 beds representing a total commitment of approximately £28.85 million. Subject to the satisfactory completion of negotiations, all of these assets are expected to be acquired by December 2014 and will be funded principally by the RBS Loan.

The Company is also in the advanced stages of negotiation in relation to a near-term pipeline comprising 15 properties across multiple locations in the UK with an aggregate of more than 1,800 beds representing a total commitment of approximately £180 million. This comprises a mix of operating properties and forward funded and development projects with a similar return profile to the current portfolio. Subject to the satisfactory completion of negotiations and available financing, the Company believes that all of the properties would be able to be acquired by the Group over

the next several months, and by no later than the end of March 2015. It is anticipated that any commitments made to such pipeline assets will be financed by equity proceeds raised under the Share Issuance Programme, additional debt (whether pursuant to the RBS Loan or otherwise) or a combination of these.

Future pipeline

Beyond the identified pipeline described above, the Company has a further pipeline of assets under consideration at earlier stages of due diligence and negotiation representing an additional potential commitment of approximately £400 – 600 million.

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 SHARE ISSUANCE PROGRAMME

INTRODUCTION

The Company intends to issue up to 300 million Shares pursuant to the Share Issuance Programme in Tranches. Shares will only be issued at times when the Company considers that suitable investments in accordance with the Company's investment policy will be capable of being secured within the near-term. Each Tranche will comprise a placing on similar terms to the Initial 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 Initial Offer for Subscription).

The Share Issuance Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares on appropriate occasions over a period of time. The Share Issuance Programme is intended to satisfy market demand for the Shares and to raise further money for investment in accordance with the Company's investment policy.

The total net proceeds of the Share Issuance Programme will depend on the number of Shares issued throughout the Share Issuance Programme, the issue price of such Shares, and the aggregate costs and commissions for each Tranche. However, assuming that the maximum number of Shares available under the Share Issuance Programme are issued at an issue price of 101 pence per Share with aggregate costs and commissions of £1.31 million, the total net proceeds of the Share Issuance Programme would be £64.34 million.

The size and frequency of each Tranche, and of each placing, open offer and offer for subscription component of each Tranche, will be determined in the sole discretion of the Company in consultation with Jefferies.

THE SHARE ISSUANCE PROGRAMME

The Share Issuance Programme will open on 30 October 2014 and will close on 29 October 2015 (or any earlier date on which it is fully subscribed). The maximum number of Shares to be issued pursuant to the Share Issuance Programme is 300 million. The maximum number of Shares should not be taken as an indication of the number of Shares finally to be issued. The issue of Shares under the Share Issuance Programme is not being underwritten.

The issue of Shares under the Share Issuance Programme is at the discretion of the Directors. Issuance may take place at any time prior to, (i) the final closing date of 29 October 2015 or (ii) such earlier date as all the Shares the subject of the Share Issuance Programme are issued. In relation to each 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 Shares allotted and the applicable issue price.

It is anticipated that dealings in the Shares will commence no more than two Business Days after the trade date for each issue of Shares. Whilst it is expected that all Shares issued pursuant to a particular Tranche will be issued in uncertificated form, if any Shares are issued in certificated form it is expected that share certificates would be despatched approximately two weeks after Admission of the relevant Shares. No temporary documents of title will be issued.

Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with the existing Shares then in issue (save for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the allotment of the relevant Shares).

The Share Issuance Programme will be suspended at any time when the Company is unable to issue 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 Share Issuance Programme may resume when such conditions cease to exist, subject always to the final closing date of the Share Issuance Programme being no later than 29 October 2015.

CONDITIONS

The issuance of each Tranche of Shares pursuant to the Share Issuance Programme is conditional upon *inter alia*:

- the disapplication of pre-emption rights in connection with the Share Issuance Programme by Shareholders at the General Meeting to be held on 17 November 2014 (or at any adjournment thereof);
- in relation to non-pre-emptive offerings, the applicable issue price being not less than the latest published Net Asset Value per Share;
- Admission of the relevant Shares issued pursuant to each Tranche; and
- the Placing and Offer for Subscription Agreement having become unconditional in respect of the relevant Tranche and not having been terminated in accordance with its terms or a particular Tranche not having been suspended in accordance with the terms of the Placing and Offer for Subscription Agreement.

In circumstances where these conditions are not fully met, the relevant issue of Shares pursuant to the Share Issuance Programme will not take place.

THE ISSUE PRICE AND COSTS

It is intended that the price at which 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 Share, after the related costs have been deducted. The commissions and costs for each Tranche to be met by the Company will be capped at two per cent. of the gross proceeds of such Tranche.

OFFICIAL LIST AND MAIN MARKET

Applications will be made to the UK Listing Authority for the Shares issued pursuant to each Tranche of the Share Issuance Programme to be admitted to listing on the premium listing segment of the Official List. Applications will also be made to the London Stock Exchange for such Shares to be admitted to trading on the Main Market.

The Company's existing Shares are admitted to listing on the premium listing segment of the Official List and to trading on the Main Market.

The Company is subject to and complies with the on-going requirements of the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules and the Market Abuse Directive (as implemented in the United Kingdom).

INITIAL PLACING

The terms and conditions which apply to any subscriber for Shares pursuant to the Initial Placing are set out in Part 5 of this Securities Note.

It is expected that Initial Admission will become effective and that unconditional dealings in the Shares will commence at 8.00 a.m. on 24 November 2014. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. The Issue Price is 101 pence per Share.

Applications for Shares under the Initial Placing must be for a minimum subscription amount of £50,000 (or such lesser amount as may be accepted by the Directors). There is no maximum subscription.

The Initial Offer for Subscription

The Company has agreed to make an offer of Shares pursuant to the Initial Offer for Subscription in the UK at the Issue Price, subject to the Terms and Conditions of Application. These terms and conditions and the Application Form set out in Part 6 of this Securities Note should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of the Prospectus or the acquisition of Shares.

Application Forms accompanied by a cheque or banker's draft in Sterling made payable to "Computershare Investor Services PLC re: Empiric Student Property plc – Offer for Subscription a/c" and crossed "A/C Payee Only" for the appropriate sum should be returned to the Receiving Agent by no later than 11.00 a.m. on 19 November 2014. If the Initial Offer for Subscription is extended, the revised timetable will be notified to any investors who have returned Application Forms.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11.00 a.m. on 19 November 2014. Please contact Computershare Investor Services PLC by email at EmpiricOFS@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide applicants with a unique reference number which must be used when sending payment.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to Computershare's Participant account 8RA22 by no later than 1.00 p.m. on 20 November 2014, allowing for the delivery and acceptance of Shares to be made against payment of the Issue Price per Share, following the CREST matching criteria set out in the application form.

Applications under the Initial Offer for Subscription must be for Shares with a minimum subscription amount of 10,000 Shares and thereafter in multiples of 100 Shares. Commitments under the Initial Offer for Subscription, once made, may not be withdrawn without the consent of the Board. The Directors reserve the right to refuse applications for any reason.

The Company does not guarantee that at any particular time any market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share. Furthermore, the level of the liquidity in the Shares can vary significantly.

Scaling back and allocation

In the event that aggregate applications for Shares under the Initial Issue were to exceed the maximum size of the Initial 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 Shares pursuant to the Initial Issue and to scale back the Initial Placing in favour of the Initial Offer for Subscription. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they have applied. In particular, the Company shall determine all matters relating to the U.S. Private Placement.

The Company will notify investors of the number of Shares in respect of which their application has been successful and the results of the Initial Issue will be announced by the Company on or around 20 November 2014 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.

GENERAL

The Company, the Directors, Jefferies and Akur have entered into the Placing and Offer for Subscription Agreement, pursuant to which Jefferies has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Shares made available under any placing component of the Share Issuance Programme.

Applications pursuant to the placing component (if any) under each Tranche will be on the terms and conditions set out in the Part 5 of this Securities Note as applicable, as modified by any relevant supplementary prospectus or Future Securities Note applicable to the relevant Tranche. Where a Tranche comprises an open offer or offer for subscription component, the terms of such offer(s) will be set out in the Future Securities Note applicable to such Tranche.

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

In the event that there are any significant changes affecting any of the matters described in the Prospectus or where any significant new matters have arisen after the publication of the Prospectus, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors (in consultation with Jefferies) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Shares under the Share Issuance Programme.

Should a Tranche be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant to the bank account from which the money was received forthwith following such abort or failure, as the case may be. Any abort or failure fees and expenses will be borne by the Company.

CLEARING AND SETTLEMENT

Shares issued pursuant to the Share Issuance Programme will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from the relevant Admission. In the case of Shares to be issued in uncertificated form pursuant to a Tranche, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Shares following an Admission may take place within the CREST system if any Shareholder so wishes. CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that the Company will arrange for Euroclear to be instructed on each Admission date to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Shares outside of the CREST system following the closing of a Tranche should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive

registered form. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

Shareholders holding their Shares through CREST or otherwise in uncertificated form may obtain from the Registrar (as evidence of title) a certified extract from the Register showing their Shareholding.

TYPICAL INVESTOR

An investment in the 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.

PART 3

TAXATION

1 UNITED KINGDOM TAX TREATMENT OF SHAREHOLDERS UNDER REIT STATUS

1.1 *Introduction*

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice as at the date of this Securities Note, each of which is subject to change, possibly with retrospective effect. They do not constitute advice.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Shares in the Company, in each case, assuming the Company maintains REIT status. Except where otherwise indicated, they apply only to Shareholders who are resident for tax purposes solely in the United Kingdom. They apply only to Shareholders who are the absolute beneficial owners of both their PIDs and their Shares and who hold their Shares as investments. They do not apply to Substantial Shareholders. They do not apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Shares by reason of their or another's employment, persons who hold their Shares as part of hedging or conversion transactions, or persons who hold their Shares in connection with a UK branch, agency or permanent establishment. Except where otherwise indicated at paragraph 1.3(d) (Withholding tax) below, they do not apply to persons holding Shares by virtue of an interest in any partnerships, insurance companies, life insurance companies, mutual companies, collective investment schemes, charities, trustees, local authorities, or pension scheme administrators.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

1.2 *UK taxation of Non-PID Dividends*

(a) *Individual Shareholders*

A Shareholder who is an individual resident for UK tax purposes in the UK and who receives a Non-PID Dividend from the Company will be entitled to a tax credit equal to one-ninth of the sum of the dividend received.

The Non-PID Dividend received plus the related tax credit (the "**Gross Dividend**") will be part of the Shareholder's total income for UK income tax purposes and will be regarded as the top slice of that income. However, in calculating the Shareholder's liability to UK income tax in respect of the Gross Dividend, the tax credit (which equates to 10 per cent. of the Gross Dividend) will be set off against any further tax chargeable on the Gross Dividend.

In the case of such a Shareholder who is not liable to UK income tax at either the higher or the additional rate, that Shareholder will be subject to UK income tax on the Gross Dividend at the rate of 10 per cent. The tax credit will, in consequence, satisfy in full the Shareholder's liability to UK income tax on the Gross Dividend.

In the case of a Shareholder who is liable to UK income tax at the higher rate, the Shareholder will be subject to UK income tax on the Gross Dividend at the rate of 32.5 per cent., to the extent that the Gross Dividend falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax when it is treated (as mentioned above) as the top slice of the Shareholder's income. The tax credit will, in consequence, satisfy only part of the Shareholder's liability to UK income tax on the Gross Dividend and the Shareholder will have to account for UK income tax equal to 22.5 per cent. of the Gross Dividend. Thus, the effective tax rate applicable to the Non-PID Dividend received by such a Shareholder would be 25 per cent.

In the case of a Shareholder who is liable to UK income tax at the additional rate, the Shareholder will be subject to UK income tax on the Gross Dividend at the rate of 37.5 per cent., to the extent that the Gross Dividend falls above the threshold for the additional rate of UK income tax when it is treated (as mentioned above) as the top slice of the Shareholder's income. After setting off the tax credit comprised in the Gross Dividend, the Shareholder will, accordingly, have to account for UK income tax equal to 27.5 per cent. of the Gross Dividend. Thus, the effective tax rate applicable to the Non-PID Dividend received by such a Shareholder would be approximately 30.6 per cent.

A UK resident individual Shareholder whose liability to UK income tax in respect of a Non-PID Dividend received from the Company is less than the tax credit attaching to it will not be entitled to any repayment from HMRC in respect of any part of the tax credit attaching to the Non-PID Dividend.

(b) *Corporate Shareholders*

A Shareholder within the charge to UK corporation tax which is a "small company" (for the purposes of UK taxation of dividends) will not generally be subject to tax on Non-PID Dividends from the Company, provided certain conditions are met.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on Non-PID Dividends from the Company so long as they fall within an exempt class and do not fall within certain specified anti-avoidance provisions. Examples of dividends that are within an exempt class are dividends paid on "non-redeemable ordinary shares" for UK tax purposes and dividends in respect of portfolio holdings, where the recipient owns less than 10 per cent. of the issued share capital of the payer (or any class of that share capital).

1.3 *UK taxation of PIDs*

(a) *UK taxation of individual Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in Section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a separate UK property business from any other UK property business (a "**different UK property business**") carried on by the relevant Shareholder. This means that 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.

Please see also paragraph (d) (Withholding tax) below.

(b) *UK taxation of corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to UK corporation tax as profit of a UK property business (as defined in Section 205 of the Corporation Tax Act 2009). This means that, subject to the availability of any exemptions or reliefs, such Shareholders should be liable to UK corporation tax on income on the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a different UK property business carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder's UK property profits.

Please see also paragraph (d) (Withholding tax) below.

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

Where a Shareholder who is resident outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding by the Company.

Please see also paragraph (d) (Withholding tax) below.

(d) *Withholding tax*

- *General*

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs. The Company will provide Shareholders with a certificate setting out the amount of tax withheld.

- *Shareholders solely resident in the UK*

Where UK income tax has been withheld at source, Shareholders who are individuals may, depending on their circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are bodies corporate may, depending upon their circumstances, be liable to pay UK corporation tax on their PID but they should note that, where income tax is (exceptionally) withheld at source, the tax withheld can be set against the Shareholder's liability to UK corporation tax in the accounting period in which the PID is received.

- *Shareholders who are not resident for tax purposes in the UK*

It is not possible for a Shareholder to make a claim under a relevant double taxation treaty with the UK for a PID to be paid by the Company gross or at a reduced rate. The Shareholder may be able to claim repayment of any part of the tax withheld from a PID, depending on the existence and terms of any such double taxation treaty between the UK and the country in which the Shareholder is resident for tax purposes.

- Exceptions to requirement to withhold income tax

Shareholders should note that in certain circumstances the Company may not be obliged to withhold UK income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a charity, or a body which is allowed the same exemption from tax as a charity. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the sub-scheme administrator of certain pension sub-schemes or the account manager of an ISA, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

The Company will also not be required to withhold income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership each member of which is a body described in the paragraph above.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form.

1.4 *UK taxation of chargeable gains, stamp duty and stamp duty reserve tax ("SDRT") in respect of Shares*

Subject to the first paragraph of paragraph 1.1 above, the following comments apply to both individual and corporate Shareholders, regardless of whether or not such Shareholders are resident for tax purposes in the UK.

(a) *UK taxation of chargeable gains*

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to UK capital gains tax in respect of any gain arising on a disposal of their Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,000 for the tax year 2014-2015. Capital gains tax chargeable will be at the current rate of 18 per cent. (for basic rate tax payers) and 28 per cent. (for higher and additional rate tax payers) for the tax year 2014-2015.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax on chargeable gains arising on a disposal of their Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to UK corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the

annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

(b) *UK stamp duty and SDRT*

No UK stamp duty or stamp duty reserve tax will generally be payable on the issue, allotment and registration of Shares.

Transfers on sale of 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 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 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 Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

1.5 *ISA, SSAS and SIPP*

Shares are eligible for inclusion in ISAs. Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder's annual limit (£15,000 for the tax year 2014/2015); but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Subject to the rules of the trustees of the SIPP or SSAS, the Shares are eligible for inclusion in a SIPP or SSAS provided, broadly, that the pension scheme member (or a connected person) does not occupy or use any residential property held by the Company and the SIPP or SSAS in question does not hold (directly or indirectly) more than 10 per cent. of any of the Shares or the Company's voting rights or rights to income or amounts on a distribution or rights to the assets on a winding up.

PART 4

ADDITIONAL INFORMATION

1 SHARE CAPITAL

- 1.1 The principal legislation under which the Company operates, and under which the Shares were created, is the Companies Act. The Shares are denominated in Sterling.
- 1.2 The Company's share capital: (i) as at the date of this Securities Note, and (ii) as it will be immediately following Initial Admission (assuming 65 million Shares are issued in the Initial Issue) is as follows:

	<i>Shares</i>	
	<i>Number</i>	<i>Aggregate nominal value (£)</i>
(i) As at the date of this Securities Note	85,000,001	850,000.01
(ii) Immediately following Initial Admission	150,000,001	1,500,000.01

- 1.3 On incorporation on 11 February 2014, one Share was issued at £1.00 (fully paid) for the purposes of incorporation to Paul Hadaway as the subscriber to the Company's memorandum of association.
- 1.4 The following changes in the share capital of the Company have taken place between 11 February 2014 and the date of this Securities Note:
- (a) on 29 April 2014, 50,000 Restricted Shares of £1.00 each in aggregate were issued at par (fully paid) to Timothy Attlee and Paul Hadaway (25,000 Restricted Shares to each);
 - (b) on 30 June 2014, 85,000,000 Shares were issued pursuant to a placing and offer for subscription at an issue price of £1.00 per Share; and
 - (c) on 30 June 2014, the 50,000 Restricted Shares were redeemed out of the proceeds of the placing and offer for subscription at par value and cancelled.
- 1.5 On 17 November 2014, resolutions of the Company will be considered at the General Meeting for the following purposes:
- 1.5.1 that, the Directors are generally and unconditionally authorised in accordance with Section 551 of the Companies Act to exercise all the powers of the Company to allot 300,000,000 Shares in connection with the Share Issuance Programme, such authority to expire on 16 November 2015, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired. The resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Shares but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities;
 - 1.5.2 that, conditionally upon the passing of the authorities referred to in paragraphs 1.5.1 and 1.5.5, notwithstanding that the proposed participation by East Riding of Yorkshire Council Pension Fund in any issue of Shares pursuant to the Share Issuance Programme is a related party transaction of the Company for the purposes of the listing rules made by the UKLA under section 74 of FSMA

(“**Related Party Transaction**”), the Company’s proposal to issue and allot Shares to East Riding of Yorkshire Council Pension Fund pursuant to the Share Issuance Programme be approved;

- 1.5.3 that, conditionally upon the passing of the authorities referred to in paragraphs 1.5.1 and 1.5.5, notwithstanding that the proposed participation by SG Hambros Bank Ltd in any issue of Shares pursuant to the Share Issuance Programme is a Related Party Transaction, the Company’s proposal to issue and allot Shares to SG Hambros Bank Ltd pursuant to the Share Issuance Programme be approved.
- 1.5.4 that, conditionally upon the passing of the authorities referred to in paragraphs 1.5.1 and 1.5.5, notwithstanding that the proposed participation by CCLA Investment Management Limited in any issue of Shares pursuant to the Share Issuance Programme is a Related Party Transaction, the Company’s proposal to issue and allot Shares to CCLA Investment Management Limited pursuant to the Share Issuance Programme be approved.
- 1.5.5 that, conditionally upon the passing of resolution referred to in paragraph 1.5.1, the Directors are generally empowered (pursuant to Section 570 of the Companies Act) to allot Shares for cash pursuant to the authority referred to in resolution (a) above as if Section 561 of the Companies Act did not apply to any such allotment, such power to expire 16 November 2015, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Shares to be allotted after the expiry of such power and the Directors may allot Shares in pursuance of such an offer or agreement as if such power had not expired. This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot Shares as if Section 561 of the Companies Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities; and
- 1.5.6 that, conditionally upon the issue of Shares by the Company pursuant to the Initial Issue and the payment up in full thereof, the amount standing to the credit of the share premium account of the Company following completion of the Initial Issue be cancelled.
- 1.6 In accordance with the power granted to the Directors, it is expected that the Shares to be issued pursuant to the Share Issuance Programme will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before the relevant Admission of such Shares in accordance with the Companies Act.
- 1.7 All of the Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued. The Company utilises the services of Computershare Investor Services PLC as registrar in relation to the transfer and settlement of Shares held in uncertificated form.

2 INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- 2.1 Other than as set out in the table below, as at 29 October 2014 (being the last practicable date prior to the publication of this Securities Note), the Company was not aware of any person who was directly or indirectly interested in 3 per cent. of more of the issued share capital of the Company:

<i>Name</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital (%)</i>
East Riding of Yorkshire Council Pension Fund	15,000,000	17.65
SG Hambro Bank Limited	9,844,353	11.58
CCLA Investment Management Limited	8,500,000	10.00
Rathbones Brothers plc	7,513,530	8.87
Charles Stanley & Co. Limited	4,503,764	5.30
Smith & Williamson Holdings Limited	3,207,866	3.77
BNP Paribas Arbitrage SNC	3,000,000	3.53
Bank Morgan Stanley, Zurich	2,600,000	3.06

- 2.2 Other than as disclosed above, the Company and the Directors are not aware of any person who as at 29 October 2014 (being the latest practicable date 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 of the Company.

- 2.3 Save as set out below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at 29 October 2014 (being the latest practicable date prior to the publication of this Securities Note):

<i>Director</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital</i>
Baroness Dean	33,500	0.04
Timothy Attlee	875,000	1.03
Paul Hadaway	875,001	1.03
Michael Enright(*)	520,000	0.61
Jim Prower(**)	23,760	0.03

(*) 20,000 of these Shares are held on behalf of Mr. Enright's children.

(**) 11,880 of these Shares are held by Mr. Prower's wife.

3 RIGHTS ATTACHED TO THE SHARES

The Articles contain provisions, *inter alia*, to the following effect:

Voting rights

- 3.1 Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- 3.2 Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.
- 3.3 Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

Dividends

- 3.4 Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- 3.5 Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- 3.6 All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- 3.7 The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- 3.8 The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer

to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

- 3.9 Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

Winding up

- 3.10 If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, divide among the shareholders *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.
- 3.11 The Directors are required to propose an ordinary resolution that the Company continue its business as presently constituted (the "**Continuation Resolution**") at the annual general meeting of the Company to be held in 2017. If the Continuation Resolution is not passed, the Directors will formulate proposals to be put to shareholders to reorganise, restructure or wind-up the Company and to present such proposals to shareholders within 60 days of the date of the annual general meeting at which the continuation resolution was proposed.

Transfer of shares

- 3.12 Each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.
- 3.13 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
- (a) it is in respect of a share which is fully paid up;
 - (b) it is in respect of only one class of shares;
 - (c) it is in favour of a single transferee or not more than four joint transferees;
 - (d) it is duly stamped (if so required); and
 - (e) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a

renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.

- 3.14 Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.
- 3.15 If the Board refuses to register a transfer of a Share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- 3.16 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- 3.17 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Exchange Act and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Exchange Act; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 3.19 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- 3.18 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to

another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).

- 3.19 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

Variation of rights

- 3.20 If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Companies Act.
- 3.21 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

Alteration of share capital

- 3.22 The Company may, from time to time, by ordinary resolution:
- (a) authorise the Directors to increase its share capital by allotting new shares;
 - (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
 - (c) subject to the provisions of the Companies Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
 - (d) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

4 CITY CODE ON TAKEOVERS AND MERGERS

4.1 *Mandatory bid*

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- a person acquires an interest in shares 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
- 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 acquirer and, depending on the circumstances, its 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 at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

4.2 *Compulsory acquisition*

Under Sections 974 – 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 its 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.

5 WORKING CAPITAL

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

6 CAPITALISATION AND INDEBTEDNESS

The following table, sourced from the Company's internal accounting records, shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 30 September 2014 and the Company's audited capitalisation as at 31 July 2014.

	<i>30 September 2014 (unaudited) £'000</i>
Total current debt:	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt (excluding current portion of long-term debt):	
Guaranteed	—
Unsecured	—
Unguaranteed/unsecured	—
Total indebtedness	<u>—</u>
	<i>31 July 2014 (audited) £'000</i>
Capitalisation:	
Share capital	850
Legal reserves	—
Other reserves ⁽¹⁾	82,281
Total capitalisation	<u>83,131</u>

(1) Other reserves comprise the capital reduction reserve, but exclude retained earnings.

The following table shows the Company's unaudited net indebtedness as at 30 September 2014.

	<i>30 September 2014</i> <i>(unaudited)</i> <i>£'000</i>
Cash	9,905
Cash equivalent	—
Trading securities	—
Liquidity	<u>9,905</u>
Current financial receivables ⁽¹⁾	3,186
Current bank debt	—
Current portion of non-current debt	—
Other current financial debt	—
Current financial debt	<u>—</u>
Net-current financial liquidity	<u>13,091</u>
Non-current bank loans	—
Bonds issued	—
Other non-current loans	—
Non-current financial indebtedness	<u>—</u>
Net financial liquidity	<u>13,091</u>

(1) Current financial receivables represent cash held by Collegiate AC.

As at 30 September 2014 the Group had no indirect or contingent indebtedness.

7 GENERAL

- 7.1 The Executive Directors have entered into the Executive Directors Subscription and Lock-up Agreements dated 16 June 2014 (as amended by way of amendment agreements dated 26 June 2014), pursuant to which each of the Executive Directors irrevocably agreed to subscribe for certain Shares pursuant to the IPO. The Executive Directors also agreed pursuant to the terms of their respective Executive Directors Subscription and Lock-up Agreement not to transfer, dispose of or grant any options over any of the Shares held at IPO for a period of 18 months following the IPO. The Executive Directors Subscription and Lock-up Agreements contain exceptions customary for agreements of this nature including transfers pursuant to: the acceptance of a takeover offer; participation in any tender offer by the Company or any similar transaction; an order of a court of competent jurisdiction and the prior written approval of the Company and Dexion Capital plc (which approval may be granted or declined at their absolute discretion). The Executive Directors Subscription and Lock-up Agreements are each governed by the laws of England and Wales.
- 7.2 Revcap has entered into the Revcap Subscription and Lock-up Agreement dated 16 June 2014 (as amended by way of an amendment agreement dated 26 June 2014) pursuant to which Revcap irrevocably agreed to subscribe (or to procure that an affiliate or fund advised by it subscribes) for certain Shares in the IPO. Revcap also agreed it will not (and agreed to procure that any affiliate or fund advised by it that subscribes for Shares will not) transfer, dispose of or grant any options over any of the Shares held at IPO for a period of 18 months following the IPO. The Revcap Subscription and Lock-up Agreement contains exceptions customary for agreements of this nature including transfers pursuant to: the acceptance of a takeover offer; participation in any tender offer by the Company or any similar transaction; an order of a court of competent jurisdiction and the prior written

approval of the Company and Dexion Capital plc (which approval may be granted or declined at their absolute discretion). The Revcap Subscription and Lock-up Agreement is governed by the laws of England and Wales.

- 7.3 On the assumption that Gross Proceeds of £65.65 million are raised pursuant to the Initial Issue, the expenses payable by the Company will not exceed £1.31 million (being 2 per cent. of the Gross Proceeds), resulting in Net Proceeds of approximately £64.34 million.
- 7.4 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 Initial Admission.
- 7.5 The total net proceeds of the Share Issuance Programme will depend on the number of Shares issued throughout the Share Issuance Programme, the issue price of such Shares, and the aggregate costs and commissions for each Tranche. However, assuming that the maximum number of Shares available under the Share Issuance Programme (including the Initial Issue) are issued at an issue price of 101 pence per Share with aggregate costs and commissions of £6.06 million, the total net proceeds of the Share Issuance Programme would be £296.94 million.
- 7.6 Where third party information has been referenced in this Securities Note, the source of that third party information has been disclosed. All information 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.

PART 5

TERMS AND CONDITIONS OF THE INITIAL PLACING

1 INTRODUCTION

- 1.1 Each Placee which confirms its agreement (whether orally or in writing) to Jefferies to acquire Shares pursuant to the Initial 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 SUBSCRIBE FOR SHARES

Conditionally upon: (i) Initial Admission occurring and becoming effective by 8.00 a.m. (London time) on 24 November 2014 (or such later time and/or date as the Company and Jefferies may agree); (ii) the Placing and Offer for Subscription Agreement becoming otherwise unconditional in all respects (save as to Initial Admission) and not having been terminated in accordance with its terms; (iii) Jefferies confirming to Placees their allocation of Shares, each Placee agrees to become a member of the Company and agrees to subscribe for those 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 SHARES

Each Placee must pay the Issue Price for the 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 Shares shall be rejected.

4 REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Shares, each Placee that is outside the United States and is not a U.S. Person and which enters into a commitment with Jefferies to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to Jefferies, the Registrar, the Company and their respective officers, agents and employees that:

- 4.1 it is not a U.S. Person, is not located within the United States and is not acquiring the Shares for the account or benefit of a U.S. Person;
- 4.2 it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S;
- 4.3 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 Shares into or within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.4 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, the Initial Placing and/or the Share Issuance Programme. It agrees that none of the Company, Jefferies, Akur 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, the Initial Placing and/or the Share Issuance Programme and irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

- 4.5 if the laws of any territory or jurisdiction outside England and Wales are applicable to its agreement to subscribe for Shares under the Initial 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 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 Initial Placing;
- 4.6 it has carefully read and understands the Prospectus in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part 5 and the Articles as in force at the date of Initial Admission and agrees that in accepting a participation in the Initial Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Shares;
- 4.7 it has not relied on Jefferies, Akur or any person affiliated with Jefferies or Akur in connection with any investigation of the accuracy or completeness of any information contained in the Prospectus;
- 4.8 the content of the Prospectus is exclusively the responsibility of the Company, and the Directors and neither Jefferies nor any person acting on its behalf nor any of its affiliates is responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing based on any information, representation or statement contained in the Prospectus or otherwise;
- 4.9 it acknowledges that no person is authorised in connection with the Initial Placing and/or the Share Issuance Programme 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;
- 4.10 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.11 it acknowledges that the Shares have not been and will not be registered under the U.S. 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, U.S. Persons except in a transaction exempt from, or not subject to, the registration requirements of the U.S. 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;
- 4.12 it accepts that none of the Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Shares may not be offered, sold or delivered, directly

or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;

- 4.13 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;
- 4.14 no portion of the assets used to acquire, and no portion of the assets used to hold, the 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. Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. 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 preceding clause (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. Code, its acquisition, holding, and disposition of the Shares will not constitute a violation of law or result in a non-exempt prohibited transaction under Section 503 of the U.S. Code or any substantially similar law;
- 4.15 if any 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:

EMPIRIC STUDENT PROPERTY 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 (I) 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, OR (II) WITHIN THE UNITED STATES IN ACCORDANCE WITH RULE 144 OF THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, IN EACH CASE OF CLAUSE (I) OR (II), 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. CODE, INCLUDING AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. 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. 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. 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. CODE OR ANY SUBSTANTIALLY SIMILAR LAW.

- 4.16 if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the 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 U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by prearrangement or otherwise; (ii) within the United States in accordance with Rule 144 of the U.S. Securities Act, if available, and in compliance with any applicable securities laws of any state or other jurisdiction in the United States; or (iii) to the Company or a subsidiary thereof;
- 4.17 it is acquiring the 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 Shares in any manner that would violate the US Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 4.18 if it is a resident in the European Economic Area (other than the United Kingdom), it is (a) 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 (as amended) and (b) if that relevant Member State has implemented the AIFM Directive, that it is a person to whom the Shares may be lawfully marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that relevant Member State;
- 4.19 in the case of any Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive: (i) the Shares acquired by it in the Initial 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 (as amended), or in circumstances in which the prior consent of Jefferies has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive (as amended) as having been made to such persons;
- 4.20 if it is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or the Share Issuance Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Initial 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 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;

- 4.21 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 Shares and it is not acting on a non-discretionary basis for any such person;
- 4.22 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 Shares under the Initial Placing and will not be any such person on the date any such relevant placing commitment is accepted;
- 4.23 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other offering materials concerning the Initial Placing and/or the Share Issuance Programme or the Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.24 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 Initial Placing and/or the Share Issuance Programme or providing any advice in relation to the Initial Placing, that participation in the Initial 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 Initial Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing and Offer for Subscription Agreement;
- 4.25 it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing by each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing in the form provided by Jefferies. It agrees that the provisions of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.26 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 Shares for which it has given a commitment under the Initial Placing, in the event of the failure of it to do so;
- 4.27 it accepts that if the Initial Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to the premium listing segment of the Official List or to trading on the Main Market 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;
- 4.28 in connection with its participation in the Initial 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; or (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;

- 4.29 it acknowledges that due to anti-money laundering requirements, Jefferies, the Company and/or their agents 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, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Jefferies, the Company and/or their agents 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;
- 4.30 Jefferies and the Company are entitled to exercise any of their rights under the Placing and Offer for Subscription Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- 4.31 the representations, undertakings and warranties given by it 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 Shares are no longer accurate, it shall promptly notify Jefferies and the Company;
- 4.32 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;
- 4.33 any of its clients, whether or not identified to Jefferies will remain its sole responsibility and will not become clients of Jefferies or Akur or, for the purposes of the rules of the FCA or for the purposes of any statutory or regulatory provision;
- 4.34 it accepts that the allocation of Shares shall be determined by Jefferies in its absolute discretion (after consultation with the Company and Akur) and that such persons may scale back any placing commitments for this purpose on such basis as they may determine; and
- 4.35 time shall be of the essence as regard its obligations to settle payment for the Shares and to comply with their other obligations under the Initial 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 Shares under the Initial Placing, such Placee must promptly disclose it to them.

6 MISCELLANEOUS

- 6.1 The rights and remedies of Jefferies, the Registrar and the Company, the Board and affiliates 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 Shares that the Placee has agreed to subscribe pursuant to the Initial Placing have been acquired by the Placee. The contract to subscribe for Shares under the Initial 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 and the Company each Placee irrevocably submits to the exclusive jurisdiction of the courts of England and Wales 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 Shares under the Initial 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 terms of the Initial Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.
- 6.6 The Initial Placing is subject to the satisfaction of the conditions contained in the Placing and Offer for Subscription Agreement and the Placing and Offer for Subscription Agreement not having been terminated.

PART 6

TERMS AND CONDITIONS OF APPLICATION UNDER THE INITIAL OFFER FOR SUBSCRIPTION

The 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 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.

The Initial Offer for Subscription is only being made in the United Kingdom. If you are outside of the United Kingdom see paragraph 2.7 of this Part 6.

1. INTRODUCTION

Shares are available under the Initial Offer for Subscription at a price of 101 pence per Share.

Applications must be made on the application form (the “**Application Form**”) attached at the end of this Securities Note or otherwise published by the Company.

2. EFFECT OF APPLICATION

Applications under the Initial Offer for Subscription must be for Shares with a minimum subscription amount of 10,000 Shares and thereafter in multiples of 100 Shares. Multiple applications will be accepted.

2.1 *Offer to acquire 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 Shares at 101 pence per Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of 10,000 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 (the “**Terms and Conditions of Application**”) and the Articles in force from time to time;
- (b) agree that, in consideration of the Company agreeing that it will not, prior to the date of Initial Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in this Securities Note and via the terms of the U.S. Private Placement, 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 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 Shares applied for in certificated form or be entitled to commence dealing in Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your application under the Initial 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 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 Shares to be deposited into a CREST account (a “**CREST Account**”), (i) the Receiving Agent may in its absolute discretion issue such 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 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 Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1(d) above to issue 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 2.5(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 Shares and, in such

case, the 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 2.2 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 Shares for which your application is accepted or if you have completed Section 2B on your Application Form, but subject to paragraph 2.1(d) above, to deliver the number of 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 2.7 below;
- (m) agree that all subscription cheques and payments will be processed through a bank account (the “**Acceptance Account**”) in the name of “Computershare Investor Services PLC re: Empiric Student Property plc – Offer for Subscription 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 a Share arises on your application, the number of 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 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 Shares); and
- (q) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

2.2 ***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 Jefferies in consultation with the Company. 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 "Computershare Investor Services PLC re: Empiric Student Property plc – Offer for Subscription a/c" and crossed "A/C payee only". 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/endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.

For applicants sending subscription monies by electronic bank transfer (CHAPS) payment must be made for value by 11.00 a.m. on 19 November 2014. Please contact Computershare Investor Services PLC by email at EmpiricOFS@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to Computershare's Participant account 8RA22 by no later than 1.00 p.m. on 20 November 2014, allowing for the delivery and acceptance of Shares to be made against payment of the Issue Price per Share, following the CREST matching criteria set out in the application form.

2.3 Conditions

The contract created by the acceptance of applications (in whole or in part) under the Initial Offer for Subscription will be conditional upon:

- (a) Initial Admission occurring and becoming effective by 8.00 a.m. (London time) on 24 November 2014 (or such later time and/or date as the Company and Jefferies may agree); and

- (b) the Placing and Offer for Subscription Agreement becoming otherwise unconditional in all respects (save as to Initial Admission) and not having been terminated in accordance with its terms.

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.

2.4 ***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.

2.5 ***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 Initial 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 Shares contained therein;
- (e) acknowledge that no person is authorised in connection with the Initial 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 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 Initial 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 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 Initial Offer for Subscription or your application;
- (n) represent and warrant to the Company that: (i) you are not a U.S. Person, are not located within the United States and are not acquiring the Shares for the account or benefit of a U.S. Person; (ii) you are acquiring the Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the 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, U.S. 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 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 U.S. Person, by pre-arrangement or otherwise; (ii) within the United States in accordance with Rule 144 of the U.S. Securities Act, if available, and in compliance with any applicable securities laws of any state or other jurisdiction in the United States; or (iii) 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 Initial 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 Shares or concerning the suitability of the 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 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 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 Shares;
- (s) warrant that the information contained in the Application Form is true and accurate;
- (t) agree that if you request that Shares are issued to you on a date other than Initial Admission and such 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 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 Initial 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 this 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.

2.6 ***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 2.6, verification of the identity of holders and payors will be required if the value of the 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 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 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 Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH. To confirm the acceptability of any written assurance referred to above, or in any other case, the Applicant should call Computershare Investor Services PLC on 0870 707 1143 (calls to this number are charged at ten pence per minute from a BT landline, other network providers' costs may vary) or +44 (0) 870 707 1143 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 8.30 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.

2.7 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 Shares under the Initial 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 Shares have been or will be registered under the laws of Canada, New Zealand, Japan, Australia, the Republic of South Africa or under the US 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 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 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 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.

2.8 ***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 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 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.

2.9 ***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 Shares and the Initial 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 Initial Offer for Subscription from 11.00 a.m. on 19 November 2014. In that event, the new closing time and/or date will be notified to applicants.

The Company may terminate the Initial Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Initial 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 Initial Placing and Initial Offer for Subscription 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 Shares or concerning the suitability of the Shares for you or otherwise in relation to the Initial Placing and Initial Offer for Subscription 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.

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned to the Receiving Agent, Computershare Investor Services PLC, so as to be received no later than 11.00 a.m. (London time) on 19 November 2014.

HELP DESK: If you have a query concerning completion of this Application Form please call Computershare Investor Services PLC on 0870 707 1143 from within the UK or on +44 (0) 870 707 1143 if calling from outside the UK. Calls to the 0870 707 1143 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 8.30 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 Shares. The amount being subscribed must be a minimum of 10,000 Shares and thereafter in multiples of 100 Shares. 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 made in order to benefit most favourably from any scaling back should this be required or to benefit most favourably from any commission arrangements.

2. 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 Application Form at Section 3.

2B. CREST

If you wish your 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. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

3. SIGNATURE

All holders named in Section 2A must sign Section 3 and insert the date. The 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 Application Form.

4. SETTLEMENT

(a) *Cheque/Banker's Draft*

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 "**Computershare Investor Services PLC re: Empiric Student Property plc – Offer for Subscription 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.

(b) ***Electronic Bank Transfers***

For applicants sending subscription monies by electronic bank transfer, (CHAPS) payment must be made for value by 11.00 a.m. on 19 November 2014. Please contact Computershare Investor Services PLC by email at EmpiricOFS@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment.

(c) ***CREST Settlement***

The Company will apply for the Shares issued pursuant to the Initial Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the "**Settlement Date**"). Accordingly, settlement of transactions in the Shares will normally take place within the CREST system.

The Application Form in the Appendix contains details of the information which the Company's registrars, Computershare, will require from you in order to settle your Commitment within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Computershare to match to your CREST account, Computershare will deliver your Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Subscription Shares in certificated form should the Company, having consulted with Computershare, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Computershare in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (a) the person procured by you to subscribe for or acquire the relevant Subscription Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Computershare nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Computershare, on behalf of the Company, will input a DVP instruction into the CREST system according to the booking instructions provided by you in your Subscription Agreement. The input returned by you or your settlement agent/custodian of a matching or acceptance instruction to our CREST input will then allow the delivery of your Shares to your CREST account against payment of the Issue Price per Share through the CREST system upon the Settlement Date.

By returning the Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and

acceptance of Shares to be made prior to 8.00 a.m. on 24 November 2014 against payment of the Issue Price per Share. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling plus 2 per cent. per annum.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date:	20 November 2014
Settlement Date:	24 November 2014
Company:	Empiric Student Property plc
Security Description:	Ordinary Shares of £0.01 each
SEDOL:	BLWDVR7
ISIN:	GB00BLWDVR75

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 8RA22 by no later than 1.00 p.m. on 20 November 2014.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Computershare, reserves the right to deliver Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Initial Offer for Subscription have been satisfied.

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 Application Form UNLESS you can have the declaration provided at Section 5 of the 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 Application Form completed and signed by a suitable firm.

6. IDENTITY INFORMATION

Applicants need only consider Section 6 of the 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 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 APPLICATION FORMS – Completed Application Forms should be returned, by post or by hand (during normal business hours only), to the Receiving Agent, Computershare Investor Services PLC so as to be received no later than 11.00 a.m. (London time) on 19 November 2014, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

APPENDIX – APPLICATION FORM

Please send this completed form by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to the Receiving Agent, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to be received no later than 11.00 a.m. (London time) on 19 November 2014.

The Directors may, with the prior approval of Jefferies, 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 Prospectus and the Terms and Conditions of the Initial Offer for Subscription set out in the Securities Note and accompanying notes to this form.

Box 1 (minimum of 10,000 Shares and in multiples of 100 Shares thereafter)

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To: Empiric Student Property plc and the Receiving Agent

1. APPLICATION

I/We the person(s) detailed in Section 2A below offer to subscribe the amount shown in Box 1 for Shares subject to the Terms and Conditions of the Initial 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):
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Surname/Company name:

Address (in full):

	Postcode:
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Designation (if any):

3:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

	Postcode:
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Designation (if any):

4:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

	Postcode:
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Designation (if any):

2B. CREST ACCOUNT DETAILS INTO WHICH SHARES ARE TO BE DEPOSITED (IF APPLICABLE)

Only complete this Section if 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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1. 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 6 of the Securities Note (Terms and Conditions under the Initial 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		Affix Company Seal here:	

4. SETTLEMENT

(a) ***Cheque/Banker's Draft***

If you are subscribing for Shares and paying by cheque or banker's draft, pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Computershare Investor Services PLC re: Empiric Student Property plc – Offer for Subscription a/c". Cheques and banker's payments must be in sterling and drawn on an account at a branch of a clearing bank in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number in the top right hand corner.

(b) ***Electronic Bank Transfer***

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11.00 a.m. on 19 November 2014. Please contact Computershare Investor Services PLC by email at EmpiricOFS@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment. Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 11.00 a.m. on 19 November 2014 together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account name:
Account number:	Contact name at branch and telephone number:

(c) **CREST Settlement**

If you so choose to settle your commitment within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Shares to be made against payment of the Issue Price per Share, following the CREST matching criteria set out below:

Trade Date:	20 November 2014
Settlement Date:	24 November 2014
Company:	Empiric Student Property plc
Security Description:	Ordinary Shares of £0.01 each
SEDOL:	BLWDVR7
ISIN:	GB00BLWDVR75

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 8RA22 by no later than 1.00 p.m. on 20 November 2014.

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.

5. 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 or telephone number of regulatory authority:		
STAMP of firm, giving full name and business address:		

6. IDENTITY INFORMATION

If the declaration in Section 5 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
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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
- (2) an original or certified copies of at least two of the following documents no more than 3 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
- (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.

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

--	--	--	--	--
- (6) a copy of the authorised signatory list for the holder company; and

--	--	--	--	--
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 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

--	--	--	--	--
- (2) a statement as to the nature of that beneficiary company’s business signed by a director; and

--	--	--	--	--
- (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 | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td></tr></table> | | | | | |
| | | | | | | | |
| (2) | if the payor is a company, for that company the documents mentioned in B(1) to (7); and | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td></tr></table> | | | | | |
| | | | | | | | |
| (3) | an explanation of the relationship between the payor and the holder(s). | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td></tr></table> | | | | | |
| | | | | | | | |

The Receiving Agent reserves the right to ask for additional documents and information.

7. 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 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.

Contact name:	E-mail address:
Contact address:	
	Postcode:
Telephone No:	Fax No:

PART 7

DEFINITIONS AND GLOSSARY

The following definitions apply throughout this Registration Document unless the context requires otherwise:

Admission	admission to trading on the London Stock Exchange's Main Market of any Shares becoming effective in accordance with the LSE Admission Standards and admission of any Shares to the premium listing segment of the Official List becoming effective in accordance with the Listing Rules
AIFM Directive	the European Union's Alternative Investment Fund Managers directive (No. 2071/61/EU) and all legislation made pursuant thereto, including, where applicable, the applicable implementing legislation and regulations in each member state of the European Union
Akur	Akur Limited
Application Form	the application form attached to this Securities Note for use in connection with the Offer for Subscription
Articles	the articles of association of the Company
Business Day	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
certificated or in certificated form	not in uncertificated form
Companies Act or Act	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company	Empiric Student Property Plc
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
Directors or Board	the board of directors of the Company
Disclosure and Transparency Rules	the disclosure and transparency rules made by the Financial Conduct Authority under Section 73A of FSMA
Distribution	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
ERISA	U.S. Employee Retirement Income Security Act of 1976, as amended

Executive Directors	the executive directors of the Company being at the date of this Securities Note, Paul Hadaway, Timothy Attlee and Michael Enright
Excluded Territory	Australia, Japan, the Republic of Ireland and the Republic of South Africa
FCA	the Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
Future Securities Note	a securities note to be issued in the future by the Company in respect of each issue, if any, of Shares (other than pursuant to the Initial Issue) made pursuant to the Registration Document and subject to separate approval by the FCA
Future Summary	a summary to be issued in the future by the Company in respect of each issue, if any, of Shares (other pursuant to the Initial Issue) made pursuant to the Registration Document and subject to separate approval by the FCA
General Meeting	the general meeting of the Company to be held at 10.30 a.m. on 17 November 2014
Group	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010
Gross Proceeds	the gross proceeds of the Initial Issue
HMRC	Her Majesty's Revenue and Customs
IFRS	International Financial Reporting Standards, as adopted by the European Union
Initial Admission	Admission pursuant to the Initial Issue
Initial Issue	together, the Initial Placing, the Initial Offer for Subscription and the U.S. Private Placement
Initial Offer for Subscription	the first offer for subscription of Shares pursuant to the Share Issuance Programme (and forming part of the Initial Issue) which is expected to close on or around 19 November 2014
Initial Placing	the first placing of Shares pursuant to the Share Issuance Programme (and forming part of the Initial Issue) which is expected to close on or around 19 November 2014
interest in the Company	includes, without limitation, an interest in a Distribution made or to be made by the Company
ISA	UK individual savings account
ISIN	International Securities Identification Number
Issue Price	101 pence per Share

Jefferies	Jefferies International Limited
Joint Financial Advisers	Akur and Jefferies (acting in their capacity as joint financial advisers to the Company) and reference to Joint Financial Adviser shall be construed accordingly
LCPP	London Cornwall Property Partners Limited
Listing Rules	the listing rules made by the UK Listing Authority pursuant to Part VI of FSMA
London Stock Exchange	London Stock Exchange plc
Main Market	the London Stock Exchange's main market for listed securities
Net Asset Value or NAV	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
Net Proceeds	the aggregate net cash proceeds of the Initial Issue (after deduction of all expenses and commissions relating to the Initial Issue and payable by the Company)
Net Asset Value per Share or NAV per Share	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation
Non-PID Dividend	a distribution by the Company which is not a PID
Official List	the Official List of the UK Listing Authority
person	includes a body of persons, corporate or unincorporated, wherever domiciled
Placee	a person who subscribes for Shares pursuant to the Initial Placing
Placing and Offer for Subscription Agreement	the placing and offer for subscription agreement between the Company, the Directors, Jefferies and Akur
PID or Property Income Distribution	the distribution by the Company of the profits of the Company's Property Rental Business by way of a dividend in cash or the issue of share capital in lieu of a cash dividend in accordance with Section 530 of the CTA 2010
Property Portfolio	the investment portfolio of the Company, the current property portfolio as at the date of the Registration Document as set out in Part 2 of the Registration Document
Property Rental Business	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
Prospectus Directive	the EU Prospectus Directive 2003/71/EC

Prospectus Rules	the prospectus rules made by the Financial Conduct Authority under Section 73A of FSMA
RBS	The Royal Bank of Scotland Plc
RBS Loan	the investment term loan facility of up to £35.5 million pursuant to the RBS Facility Agreement
RBS Facility Agreement	the facility agreement dated 24 October 2014 between (<i>inter alia</i>) Empiric Investments (One) Limited, RBS (acting as agent for National Westminster Bank plc) and the financial lenders listed therein, a summary of which is set out in paragraph 9.2 of Part 8 of the Registration Document
Receiving Agent	Computershare Investor Services PLC, in its capacity as the Company's receiving agent
Registrar	Computershare Investor Services PLC, in its capacity as the Company's registrar
Registration Document	the registration document dated 30 October 2014 issued by the Company in respect of the Shares
Regulation S	Regulation S promulgated under the U.S. Securities Act
Regulatory Information Service	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
REIT or Real Estate Investment Trust	a Real Estate Investment Trust as defined in Part 12 of the CTA 2010
Relevant Member State	a member state of the European Economic Area which has implemented the Prospectus Directive
Revcap	Revcap Advisors Limited
Shareholder	a holder of Shares
Share Issuance Programme	the programme under which the Company intends to issue Shares in Tranches
Shares	ordinary shares of £0.01 each in the capital of the Company
SIPP	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
SSAS	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
Sterling or £	the lawful currency of the United Kingdom
Substantial Shareholder	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be

	liable to pay tax under Section 551 of CTA 2010 (as such legislation 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 CTA 2010
Summary	the summary dated 30 October 2014 issued by the Company pursuant to the Registration Document and this Securities Note and approved by the FCA
Takeover Code	the UK City Code on Takeovers and Mergers
Terms and Conditions of Application	the terms and conditions of application set out in Part 6 of this Securities Note in connection with the Initial Offer for Subscription
Tranches each a Tranche	a tranche of Shares issued under the Share Issuance Programme
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
UK Money Laundering Regulations	the UK Money Laundering Regulations 2007, as amended
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States of America, United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Code	U.S. Internal Revenue Code, as amended
U.S. Exchange Act	U.S. Securities Exchange Act of 1934, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Private Placement	the limited private placement by the Company to certain U.S. Persons to subscribe for Shares and forming part of the Initial Issue
U.S. Securities Act	U.S. Securities Act of 1933, as amended



ESP

Empiric
Student
Property