

**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 Supermarket Income REIT plc (the "**Company**") (the "**Prospectus**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA, which has been approved by the FCA in accordance with section 85 of FSMA. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at [www.supermarketincomereit.com](http://www.supermarketincomereit.com).

The Prospectus is being issued in connection with (i) the issue of up to 64,356,435 New Ordinary Shares in connection with the Placing and Offer for Subscription to raise Gross Initial Issue Proceeds of up to £65 million and (ii) the issue of up to 150 million Ordinary Shares (less any New Ordinary Shares issued in connection with the Issue) in one or more Tranches throughout the period commencing 25 April 2018 and ending on the first anniversary of the Registration Document in connection with the Share Issuance Programme. Application will be made to London Stock Exchange plc (the "**LSE**") for all of the New Ordinary Shares issued pursuant to the Placing and Offer for Subscription to be admitted to trading on the specialist fund segment (the "**Specialist Fund Segment**" or "**SFS**") of the Main Market of the London Stock Exchange ("**Admission**"). It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence, on 25 May 2018.

Application will also be made to the LSE for all of the Ordinary Shares to be issued pursuant to the Share Issuance Programme to the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the SFS of the London Stock Exchange's main market for listed securities. Admission of such Ordinary Shares issued pursuant to the Share Issuance Programme will become effective and dealings in such Ordinary Shares will commence not later than the first anniversary of the Registration Document.

The Directors, whose names are set out under the heading "**Directors, Registered Office, Secretary and Advisers**" in Part 3 of this Securities Note, and the Company accept responsibility for this Securities Note. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Prospective investors should read the entire Securities Note, together with the Registration Document and the Summary and, in particular, the section headed "Risk Factors" set out in Part 2 of this Securities Note and those set out in the Registration Document, when considering an investment in the Company.**

Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in the Prospectus occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Company is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

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## **SUPERMARKET INCOME REIT PLC**

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 10799126)

### **SECURITIES NOTE**

**Placing and Offer for Subscription of up to 64,356,435 New Ordinary Shares  
at an Issue Price of 101 pence per New Ordinary Share**

**and**

**Share Issuance Programme of up to 150 million Ordinary Shares**

*Financial Adviser, Broker and Placing Agent*

**STIFEL NICOLAUS EUROPE LIMITED**

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Stifel Nicolaus Europe Limited ("**Stifel**"), 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 Initial Issue, the Share Issuance Programme and Admission, will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the Initial Issue, the Share Issuance Programme or Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stifel, nor for providing advice in connection with the Initial Issue, the Share Issuance Programme, 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 Stifel 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, Stifel and any person affiliated with it does not accept any responsibility whatsoever and makes 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 it, or on behalf of it, by or on behalf of the Company or any other person in connection with the Company, the New Ordinary Shares, the Initial Issue or the Share Issuance Programme and nothing contained in the Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Stifel and its 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.

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

Investors should rely only on the information contained in the Prospectus. No person has been authorised to give any information or make any representations other than those contained in the Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the REIT Group or Stifel. Without prejudice to the Company's obligations under the Prospectus Rules, neither the delivery of the Prospectus nor any subscription for or purchase of Ordinary Shares made pursuant to the Initial Issue or the Share Issuance Programme, under any circumstances, create any implication that there has been no change in the affairs of the REIT Group since, or that the information contained herein is correct at any time subsequent to, the date of the Prospectus.

In connection with the Initial Issue and the Share Issuance Programme, Stifel and any of its affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in Ordinary Shares and other securities of the Company or related investments in connection with the Initial Issue, the Share Issuance Programme or otherwise. Accordingly, references in the Prospectus to Ordinary Shares and/or New Ordinary Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Stifel and any of its affiliates acting as an investor for its or their own account(s). Neither Stifel nor any of its 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, Stifel may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Stifel may from time to time acquire, hold or dispose of shareholdings in the Company.

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

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

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

The Company has not been, and will not be registered under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or with any other securities regulatory authority of any state or other jurisdiction of the United States, or under the applicable securities laws of Canada, Australia, the Republic of South Africa, Japan and, except as set forth below, may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person, or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, Japan. In connection with the Initial Issue and the Share Issuance Programme, the Ordinary Shares are being offered and sold only (i) outside the United States to, and for the account or benefit of, non-US persons in "offshore transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act and (ii) in a concurrent private placement in the United States to a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act that are also both "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder and "accredited investors" as defined in Rule 501 under the Securities Act.

Copies of this Securities Note, the Registration Document and the Summary will be available on the Company's website (<http://www.supermarketincomereit.com/>) and the National Storage Mechanism of the FCA at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm) and hard copies of the Prospectus can be obtained free of charge from the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

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## PART 1

### INITIAL ISSUE STATISTICS AND EXPECTED TIMETABLE OF PRINCIPAL EVENTS

*The Initial Issue statistics in this Securities Note are subject to change at the determination of the Company, following consultation with Stifel. Any such change will be publicly announced by the Company through an RIS.*

#### The Placing and Offer for Subscription

|  |                           |
|--|---------------------------|
| Placing and Offer for Subscription opens .....   | 25 April 2018             |
| Latest time and date for receipt of completed Application Forms and payment in full under the Offer for Subscription ..... | 11.00 a.m. on 21 May 2018 |
| Latest time and date for receipt of placing commitments under the Placing .....  | 11.00 a.m. on 22 May 2018 |

#### The Share Issuance Programme

|   |  |
|---|--|
| Share Issuance Programme opens .....  | 25 April 2018  |
| Admission and crediting of CREST accounts in respect of each Tranche .....                | Between 29 April 2018 and 24 April 2019                    |
| Despatch of definitive share certificates (where applicable) .....                        | As soon as possible following each subsequent issue        |
| Last date for Ordinary Shares to be issued pursuant to the Share Issuance Programme ..... | First anniversary of the date of the Registration Document |

#### Other key dates

|   |  |
|---|--|
| General Meeting .....   | 12.00 p.m. on 21 May 2018<br>by close of business on 23 May 2018 |
| Announcement of the results of the Initial Issue .....  |  |
| Admission of the New Ordinary Shares to trading on the SFS of the LSE's main market for listed securities ..... | 8.00 a.m. on 25 May 2018   |
| Crediting of CREST stock accounts .....   | As soon as practicable after 8.00 a.m. on 25 May 2018            |
| Despatch of definitive share certificates (where applicable) .....  | As soon as practicable after 8.00 a.m. on 25 May 2018            |

#### INITIAL ISSUE STATISTICS<sup>(1)</sup>

|  |                  |
|--|------------------|
| Issue Price .....  | 101 pence        |
| Number of Existing Ordinary Shares in issue at the Latest Practicable Date ..... | 119,999,999      |
| New Ordinary Shares being issued <sup>(1)</sup> .....                            | up to 64,356,435 |

#### SHARE ISSUANCE PROGRAMME STATISTICS

|  |                   |
|--|-------------------|
| Maximum number of Ordinary Shares being made available under the Initial Issue and the Share Issuance Programme <sup>(2)</sup> ..... | up to 150,000,000 |
| Gross issue proceeds of the Initial Issue and the Share Issuance Programme <sup>(2)</sup> .....                                      | 151,500,000       |
| Estimated net issue proceeds of the Initial Issue and the Share Issuance Programme .....   | 148,250,000       |

#### DEALING CODES

|   |              |
|---|--------------|
| Ticker .....                            | SUPR         |
| ISIN for the New Ordinary Shares .....  | GB00BF345X11 |
| SEDOL for the New Ordinary Shares ..... | BF345X1      |

(1) The Directors may increase the size of the Initial Issue by reallocating Ordinary Shares available under the Share Issuance Programme to the Initial Issue if they, in consultation with Stifel and the Investment Adviser, believe there is sufficient investor demand and assets available and suitable for investment.

(2) On the assumption that the Initial Issue and the Share Issuance Programme are fully subscribed and 150 million Ordinary Shares are issued at a price equal to the Issue Price.

## PART 2

### RISK FACTORS

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

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

#### **1 Risks relating to the Ordinary Shares**

##### **1.1 *The value and/or market price of the Ordinary Shares may go down as well as up***

Prospective investors should be aware that the value and/or market price of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.

The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, among other things, variations in the Company's operating results, additional issuances or future sales of the Ordinary Shares or other securities exchangeable for, or convertible into, its Ordinary Shares in the future, the addition or departure of Board members, replacement of the Investment Adviser, change in the Investment Committee, change to the Investment Adviser, expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the UK commercial property market as a whole, the Company or any of its assets, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the Ordinary Shares. The market value of the Ordinary Shares may vary considerably from the Company's underlying Net Asset Value. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

##### **1.2 *Issue price of Ordinary Shares under the Share Issuance Programme***

Where a Tranche of Ordinary Shares issued under the Share Issuance Programme contains a non-pre-emptive component, the issue price of that non-pre-emptive component cannot be lower than the Net Asset Value. The issue price of such Ordinary Shares will be calculated by reference to the latest published unaudited Net Asset Value. Such Net Asset Value is determined on the basis of the information available to the Administrator at the time and may be subject to subsequent revisions. Accordingly, there is a risk that, had such issue price been calculated by reference to information that emerged after the calculation date, it could have been greater or lesser than the issue price actually paid by the investors. If such issue price should have been less than the issue price actually paid, investors will have borne a greater premium than intended. If such issue price should have been greater than the issue price actually paid, investors will have paid less than intended and, in certain circumstances, the Net Asset Value of the Ordinary Shares may have been diluted.



### **1.3 *Trading market for the Ordinary Shares***

The share price of listed companies can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the REIT Group and its operations and others to the broader equity markets in general, such as variations in the operating results of the REIT Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the REIT Group's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations which could adversely affect the market price of the Ordinary Shares.

### **1.4 *The Company will in the future issue new equity, which may dilute Shareholders' equity***

The Company will issue new equity in the future pursuant to the Share Issuance Programme or otherwise. While the Articles contain pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied in certain circumstances, and will be disapplied in relation to the maximum amount of shares that may be issued pursuant to the Share Issuance Programme. Where pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

### **1.5 *The Company's ability to pay dividends will depend upon its ability to generate sufficient earnings and certain legal and regulatory restrictions***

All dividends and other distributions paid by the Company will be made at the discretion of the Board. For the REIT Group to continue to be eligible for REIT status, the Company will be required to distribute to Shareholders at least 90 per cent. of the income profits arising from its Property Rental Business. The payment of any such dividends or other distributions will, in general, depend on the ability of the members of the REIT Group to generate realised profits and cash flow and their ability to pass such profits and cash flows to the Company on a timely basis.

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

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

### **1.7 *The interest of any significant investor may conflict with those of other Shareholders***

Following Admission, certain investors may acquire significant holdings of Ordinary Shares. Accordingly, they will potentially possess sufficient voting power to have a significant influence on matters requiring Shareholder approval. The interests of any significant investor may accordingly conflict with those of other Shareholders. In addition, any significant investor may make investments in other businesses in the UK supermarket real estate market that may be, or may become, competitors of the REIT Group.

### **1.8 *The Company has not registered, and will not register, its Ordinary Shares with the US Securities and Exchange Commission, which may limit the Shareholders' ability to resell them***

The Ordinary Shares have not been, and will not be, registered under the Securities Act or any US state securities laws. The Company will be relying upon exemptions from registration under the Securities Act and applicable state securities laws in offering and selling the Ordinary Shares. As a consequence, for Securities Act purposes, the Ordinary Shares can only be transferred or re-sold in the United States or to a US Person in transactions registered under the Securities Act, or in accordance with exemptions from the registration requirements of the Securities Act and exemptions under applicable state securities laws. Shareholders will not have registration rights and, therefore, will not be entitled to compel the Company to register their securities.

If at any time the holding or beneficial ownership of any Ordinary Shares by any person (whether on its own or taken with other Ordinary 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 US Code; or (ii) would or might result in the

Company and/or the Ordinary Shares being required to register or qualify under the US Investment Company Act and/or the US Securities Act and/or the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”) and/or any laws of any state of the United States that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the US Exchange Act; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the US Code; or (v) creates a significant legal or regulatory issue for the Company under the US Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such Ordinary Shares to dispose of such Ordinary Shares and, if the Shareholder does not sell such Ordinary Shares, may dispose of such Ordinary Shares on their behalf. These restrictions may make it more difficult for a US Person to hold, and Shareholders generally to sell, the Ordinary Shares and may have an adverse effect on the market value of the Ordinary Shares.

**1.9 *The Company has not, and will not, register as an investment company under the Investment Company Act***

The Company is not, and does not intend to become, registered in the United States as an investment company under the Investment Company Act and related rules. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to register, none of these protections or restrictions are or will be applicable to the Company.

## **PART 3**

### **DIRECTORS, REGISTERED OFFICE, SECRETARY AND ADVISERS**

#### **Directors**

Nick Hewson – (Non-Executive Chairman)

Vincent Prior – (Non-executive Director and Senior Independent Director)

Jon Austen – (Non-executive Director)

#### **Administrator and Company Secretary**

JTC (UK) Limited

7th Floor

9 Berkeley Street

London

W1J 8DW

#### **Registered address and head office**

7th Floor

9 Berkeley Street

London

W1J 8DW

#### **AIFM**

JTC Global AIFM Solutions Limited

Ground Floor

Dorey Court

Admiral Park

Guernsey

GY1 2HT

#### **Investment Adviser**

Atrato Capital Limited

33 Wigmore Street

London

W1U 1BZ

#### **Sole Bookrunner, Placing Agent and Financial Adviser**

Stifel Nicolaus Europe Limited

4th Floor

150 Cheapside

London

EC2V 6ET

#### **English legal advisers to the Company**

Macfarlanes LLP

20 Cursitor Street

London

EC4A 1LT

#### **US legal advisers to the Company**

Hughes Hubbard & Reed LLP

One Battery Park Plaza

New York

NY 10004-1482

#### **English and US legal advisers to Stifel**

CMS Cameron McKenna Nabarro Olswang LLP

Cannon Place

78 Cannon Street

London

EC4N 6AF



**Auditor and Reporting Accountant**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Receiving Agent**

Link Asset Services  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

**Registrar**

Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

## PART 4

### IMPORTANT INFORMATION

#### 1 General

Prospective investors must rely only on the information contained in the Prospectus in its entirety in assessing an investment in the Company. No person has been authorised to issue any advertisements or to give any information or to make any representations in connection with the offering of New Ordinary Shares, other than those contained in the Prospectus and, if issued, given or made, such advertisement, information or representation may not be relied upon as having been authorised by or on behalf of the Company, the Investment Adviser, Stifel or the Directors or any other person.

Without prejudice to any obligation of the Company to publish a supplementary prospectus, neither the delivery of the Prospectus nor any subscription or purchase of Ordinary Shares made pursuant to the Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of the Prospectus.

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

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

Apart from the liabilities and responsibilities (if any) which may be imposed on Stifel by FSMA or the regulatory regime established thereunder, Stifel does not make any representation or warranty, express or implied, nor accepts any responsibility whatsoever for the contents of the Prospectus including its accuracy, completeness or verification or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Adviser, the New Ordinary Shares, the Initial Issue or the Share Issuance Programme. Stifel (and its respective affiliates, directors, officers or employees) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which they might otherwise have in respect of the Prospectus or any such statement.

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

In connection with the Initial Issue and the Share Issuance Programme, Stifel and any of its affiliates, acting as an investor for its or their own account(s), may take up Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such Ordinary Shares and other securities of the Company or related investments in connection with the Initial Issue, the Share Issuance Programme or otherwise. Accordingly, references in the Prospectus to New Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or

offer to, or subscription, acquisition, dealing or placing by, Stifel and any of its affiliates acting as an investor for its or their own account(s). Stifel does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

## **2 Interpretation**

Certain terms used in this Securities Note, including certain capitalised terms and certain technical and other terms are defined and explained in Part 16 ("**Glossary of Terms and Definitions**") of this Securities Note.

## **3 No incorporation of website**

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

## **4 Trade names, logos, trademarks and service marks**

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

## **5 Market, economic and industry data**

The Prospectus contains information regarding the REIT Group's business and the market in which it operates and competes, which (save as mentioned below) the Company has obtained from various third party sources.

Where information contained in the Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Securities Note, the source of such information has been identified.

In particular, the Prospectus contains information from the following third party sources:

- The Investment Property Databank as maintained by Morgan Stanley Capital International
- IGD Services Limited (trading as The Institute of Grocery Distribution)
- Property Data Limited
- Morgan Williams
- Fooddeserts.org

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

## **6 Currency presentation**

Unless otherwise indicated, all references in this Securities Note to "Pounds Sterling", "Pounds", "£", "pence" or "p" are to the lawful currency of the United Kingdom.

## **7 Roundings**

Certain data in this Securities Note, including financial, statistical and operating information has been rounded. As a result of this rounding, the totals of data presented in this Securities Note may vary slightly from the actual arithmetic totals of such data.

In certain instances, the sum of the numbers in a column or a row in tables contained in this Securities Note may not conform exactly to the total figure given for that column or row. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

## **8 Forward-looking statements**

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

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

Forward-looking statements are not guarantees of future performance and no assurance can be or is given that such future results will be achieved. The REIT Group’s actual results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Securities Note. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the REIT Group, and the development of its financing strategies, are consistent with the forward-looking statements contained in this Securities Note, those results or developments may not be indicative of results or developments in subsequent periods.

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

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

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

Nothing in this paragraph 8 of Part 4 should be taken as limiting the working capital statement in paragraph 7 of Part 10 of this Securities Note.

## **9 Notice to overseas Shareholders and investors**

The distribution of the Prospectus and the offer of New Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession the Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken by the Company in any jurisdiction that would permit a public offering of the New Ordinary Shares, or possession or distribution of the Prospectus (or any other offer or publicity material or any application form relating to the New Ordinary Shares) in any country or jurisdiction where action for that purpose is required. Accordingly, the New Ordinary Shares may not be offered or sold, directly or indirectly, and neither the Prospectus nor any other offering material or advertisement in connection with the New Ordinary Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction.

The Prospectus does not constitute an offer to subscribe for or purchase any of the New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. No persons receiving a copy of the Prospectus in any such jurisdiction may treat the Prospectus as constituting an offer, invitation or solicitation to them to subscribe for or purchase New Ordinary Shares in the relevant jurisdiction notwithstanding that such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement.

Persons into whose possession the Prospectus comes should inform themselves about and observe any restrictions on the distribution of the Prospectus and the offer of the New Ordinary Shares contained in the Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

#### Australia

The Prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission as a disclosure document under Chapter 6D of the Australian Corporations Act 2001 (the “**Australian Corporations Act**”). The Prospectus does not purport to include the information required of a disclosure document under Chapter 6D of the Corporations Act. Accordingly, the Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of New Ordinary Shares must not be issued or distributed directly or indirectly in or into Australia, and no New Ordinary Shares may be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after their issue, except in circumstances where disclosure to investors is not required under Part 6D.2 of the Corporations Act.

Each purchaser of New Ordinary Shares will be deemed to have acknowledged the above and, by applying for New Ordinary Shares under the Prospectus, gives an undertaking to the Company not to offer, sell, transfer, assign or otherwise alienate those securities to persons in Australia (except in the circumstances referred to above) for 12 months after their issue.

#### Canada

The New Ordinary Shares have not been and will not be qualified by a prospectus in accordance with the prospectus requirements under applicable securities law in any Canadian jurisdiction and therefore may not be offered or sold, directly or indirectly, in Canada except in compliance with applicable Canadian securities laws.

#### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), an offer to the public of any New Ordinary Shares may not be made in that Relevant Member State, except that the New Ordinary Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if it has been implemented in that Relevant Member State:

- (a) to legal entities which are “qualified investors” as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive) as permitted under the Prospectus Directive; or

- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Ordinary Shares shall result in a requirement for the publication by the Company or Stifel of a prospectus pursuant to Article 3 of the Prospectus Directive, or supplementing a prospectus pursuant to Article 16 of the Prospectus Directive, and each person who initially acquires New Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted to and agreed with the Company that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression “offer to the public” in relation to any offer of New Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Initial Issue and the New

Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any New Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any New Ordinary Shares being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, warranted, acknowledged and agreed that the New Ordinary Shares purchased and/or subscribed for by it in the Initial Issue have not been purchased and/or subscribed for on a non-discretionary basis on behalf of, nor have they been purchased and/or subscribed for with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Ordinary Shares to the public other than their offer or resale in a Relevant Member State to “qualified investors” (as defined in the Prospectus Directive) or in circumstances in which the prior consent of Stifel has been obtained to each such proposed offer or resale.

The Company and its affiliates, representatives and others will rely upon the truth and accuracy of the foregoing representation, warranty, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified Stifel of such fact in writing may, with the consent of Stifel, be permitted to subscribe for and/or purchase New Ordinary Shares in the Initial Issue.

#### Japan

The New Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948 as amended) (“**Financial Instruments and Exchange Act**”), and may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan (including any corporation or entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan.

#### South Africa

The Prospectus will not be registered as a prospectus in terms of the Companies Act 1973 in South Africa and, as such, any offer of Ordinary Shares in South Africa may only be made if it shall not be capable of being construed as an offer to the public as envisaged by section 144 of the Companies Act 1973 in South Africa. Furthermore, any offer or sale of the Ordinary Shares shall be subject to compliance with South Africa’s exchange control regulations.

#### Switzerland

The Prospectus may only be freely circulated and interests in the Company may only be freely offered, distributed or sold to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks as well as to regulated insurance companies.

Circulating the Prospectus and offering, distributing or selling Ordinary Shares to other persons or entities **including qualified investors** as defined in the Federal Act on Collective Investment Schemes (“**CISA**”) and its implementing Ordinance (“**CISO**”) may trigger, in particular, (i) licensing/prudential supervision requirements for the distributor and/or the Company, (ii) a requirement to appoint a representative and paying agent in Switzerland and (iii) the necessity of a written distribution agreement between the representative in Switzerland and the distributor. **Accordingly, legal advice should be sought before providing the Prospectus to and offering, distributing or selling/on-selling Ordinary Shares to any other persons or entities.**

The Prospectus does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The Ordinary Shares will not be listed on the SIX Swiss Exchange nor on any other stock exchange or regulated trading facility in Switzerland, and consequently, the information presented in this document does not necessarily comply with the information and disclosure standards set out in the relevant listing rules. The documentation of the Company has not been and will not be filed and approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”) under the Swiss Collective



Investment Schemes Act (CISA). Therefore, investors do not benefit from protection under the CISA or supervision by FINMA. The Prospectus does not constitute investment advice. It may only be used by those persons to whom it has been provided in connection with the Ordinary Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

If you (or any person for whom you are acquiring Ordinary Shares) are in Switzerland, you (and any such person) represent and warrant that you are (i) a regulated financial intermediary such as a bank, securities dealer, fund management company, asset manager of collective investment schemes or a central bank, or (ii) a regulated insurance institution.

#### The United States

The Initial Issue and the Share Issuance Programme is not a public offering (within the meaning of the US Securities Act) of securities in the United States. The New Ordinary Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in reliance on Section 4(a)(2) of the US Securities Act or in a transaction not subject to the registration requirements of the US Securities Act and in accordance with applicable securities laws of any securities regulatory authority of any state or other jurisdiction of the United States.

Each purchaser of New Ordinary Shares located outside the United States, by accepting delivery of the Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of the Prospectus and such other information as it deems necessary to make an investment decision and that:

- (a) it is acquiring the New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- (b) it is aware that the New Ordinary Shares have not been, and will not be, registered under the US Securities Act or under any applicable securities laws or regulations of any state of the United States and may not be offered or sold in the United States absent registration under, or an exemption from, or in a transaction not subject to, the US Securities Act;
- (c) if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the New Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act;
- (d) it understands that the Company, Stifel and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, agreements and acknowledgments;
- (e) if any of the representations, agreements and acknowledgments made by it are no longer accurate or have not been complied with, it will immediately notify the Company and Stifel; and
- (f) if it is acquiring any New Ordinary Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make, and does make, such foregoing representations, agreements and acknowledgments on behalf of each such account.

Each purchaser of New Ordinary Shares located within the United States, by accepting delivery of the Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of the Prospectus and such other information as it deems necessary to make an investment decision, that all of the foregoing representations (b) – (f) are hereby made and that:

- (a) it is acquiring the New Ordinary Shares for the subscriber's own account, does not have any contract, undertaking or arrangement with any person or entity to sell, transfer or grant a participation with respect to any of the New Ordinary Shares, and is not acquiring the New Ordinary Shares with a view to or for sale in connection with any distribution of the New Ordinary Shares;

- (b) it or a purchaser representative, advisor or consultant relied upon by it in reaching a decision to subscribe has such knowledge and experience in financial, tax and business matters as to enable it or such advisor or consultant to evaluate the merits and risks of an investment in the Company and to make an informed investment decision with respect thereto;
- (c) it understands and agrees that the New Ordinary Shares (i) will be transferred to it in a transaction that will not be registered under the US Securities Act or under any state law, (ii) have not been and are not being registered for offer or sale by it under the US Securities Act or any state law, and (iii) may not be re-offered or resold except in accordance with the US Securities Act and the rules and regulations thereunder, and all relevant state securities and blue sky laws, rules and regulations; and it understands that the Company has no intention to register the Company or the New Ordinary Shares with the SEC or any state and is under no obligation to assist it in obtaining or complying with any exemption from registration. The Company may require that any transferor furnish a legal opinion satisfactory to the Company and its counsel that the proposed transfer complies with any applicable federal, state and any other applicable securities laws. Appropriate stop transfer instructions may be placed with respect to the New Ordinary Shares and any certificates issued representing the New Ordinary Shares will contain the following legend;

**THE NEW ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN ANOTHER TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF, THE UNITED STATES.**

**NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE ORDINARY SHARES REPRESENTED HEREBY. THE ORDINARY SHARES REPRESENTED HEREBY ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT AND FOR SO LONG AS SUCH SHARES ARE "RESTRICTED SECURITIES", THEY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.**

- (d) in formulating a decision to invest in the Company, it has not relied or acted on the basis of any representations or other information purported to be given on behalf of the Company except as set forth herein (it being understood that no person has been authorised by the Company to furnish any such representations or other information);
- (e) it recognises that there is currently no public market for the New Ordinary Shares in the United States and that such a market in the United States is not expected to develop; its overall commitment to the Company and other investments which are not readily marketable is not disproportionate to its net worth and it has no need for immediate liquidity in its investment in the New Ordinary Shares;
- (f) it can afford a complete loss of its investment in the Company and can afford to hold its investment in the Company for an indefinite period of time;

- (g) if it is not a “natural person,” it has not been and will not be formed or “recapitalized” (as defined below) for the specific purpose of purchasing the New Ordinary Shares and has substantial assets in addition to the funds to be used to purchase the New Ordinary Shares;
- (h) the New Ordinary Shares have not been offered to it by means of any general solicitation or general advertising or directed selling efforts by the Company or any person acting on its behalf, including without limitation (i) any advertisement, article, notice, or other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, or contained on a website that is not password-protected, or (ii) any seminar or meeting to which it was invited by any general solicitation or general advertising or directed selling efforts;
- (i) it is a QIB, an Accredited Investor and a Qualified Purchaser; and
- (j) (i) if all or part of the funds that it is using or will use to acquire New Ordinary Shares are assets of an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) subject to Title I of ERISA, or a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the “Code”), or an entity whose underlying assets include plan assets for purposes of ERISA or Section 4975 of the Code by reason of a plan’s investment in the entity (any such plan or entity, a “**Benefit Plan Investor**”):
  - (a) its acquisition of New Ordinary Shares is permissible under the documents governing the investment of such plan assets; (b) it has concluded that the acquisition of New Ordinary Shares is consistent with applicable fiduciary responsibilities under ERISA (including ERISA’s prudence and diversification requirements) and other applicable law, if any; and (c) its acquisition and the subsequent holding of New Ordinary Shares do not and will not constitute a non-exempt “prohibited transaction” within the meaning of Section 406 of ERISA or Section 4975 of the Code;
  - (b) the decision to acquire New Ordinary Shares has been made by a duly authorized fiduciary of the Benefit Plan Investor that (a) is independent (as that term is used in 29 C.F.R. 2510.3-21(c)(1)) of the Company, the Investment Adviser, Stifel and their respective affiliates; (b) is a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer, or an independent fiduciary that holds, or has under management or control, total assets of at least \$50 million (in each case, as specified in 29 C.F.R. 2510.3-21(c)(1)(i)(A)-(E)); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including, without limitation, with respect to the decision to acquire New Ordinary Shares); (d) understands that neither the Company, the Investment Adviser, Stifel nor any of their respective affiliates has or will undertake to provide impartial investment advice, or give advice in a fiduciary capacity, in connection with the acquisition of New Ordinary Shares; (e) understands the existence and nature of the financial interests that the Company, the Investment Adviser, Stifel and their respective affiliates have in the Benefit Plan Investor’s acquisition of New Ordinary Shares, as described in the offering materials; and (f) is a fiduciary under ERISA or the Code, or both, with respect to the decision to acquire New Ordinary Shares and is responsible for exercising (and has exercised) independent judgment in evaluating whether to invest in New Ordinary Shares; and
  - (c) neither the Benefit Plan Investor nor such duly authorized fiduciary of the Benefit Plan Investor is paying the Company, the Investment Adviser, Stifel and or any of their respective affiliates, any fee or other compensation for the provision of investment advice (as opposed to other services) in connection with the Benefit Plan Investor’s acquisition of New Ordinary Shares.

#### Jersey

Subject to exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of New Ordinary Shares, and the Prospectus shall not be circulated in Jersey, without first obtaining consent from the Jersey Financial Services Commission

pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No such consents have been obtained by the Company. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. It must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company.

#### Guernsey

The Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey, and may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey or than (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and company Directors etc. (Bailiwick of Guernsey) Law, 2000.

#### The Republic of Ireland

The New Ordinary Shares will not be offered, sold, placed or underwritten in Ireland (a) except in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of Directive 2003/71/EC as implemented in Ireland pursuant to, the Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005), as amended, and the rules issued by the Central Bank of Ireland (the “CBI”) under Section 1363 of the Irish Companies Act 2014 (the “**Irish Companies Act**”); (b) otherwise than in compliance with the provisions of the Irish Companies Act; (c) otherwise than in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007), as amended, and Stifel and any introducer appointed by the Company will conduct themselves in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the CBI with respect to anything done by them in relation to the Company; (d) otherwise than in compliance with the provisions of the Market Abuse Regulation (EU) No. 596/2014, together with all delegated and implementing regulations introduced thereunder, the European Union (Market Abuse) Regulations 2016 (S.I. No. 349 of 2016) and the rules issued by the CBI under Section 1370 of the Irish Companies Act; and (e) except to “professional investors” as defined in the Alternate Investment Fund Managers Directive (Directive 2011/61/EU) (“AIFMD”) and otherwise in accordance with the AIFMD, Commission Delegated Regulation 231/2013, the Irish European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013), as amended, and any rules issued by the CBI pursuant thereto.

#### The Netherlands

No offer of New Ordinary Shares, which are the subject of the Initial Issue contemplated by the Prospectus, has been made or will be made in the Netherlands, unless in reliance on Article 3(2) of the Prospectus Directive and provided such offer is made exclusively to individuals who or legal entities which are or considered to be “qualified investors” (*gekwalficeerde beleggers*) within the meaning of section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the *Wft*).

#### The Isle of Man

The Initial Issue is available, and is and may be made, in or from within the Isle of Man and the Prospectus is being provided in or from within the Isle of Man only:

- (i) by persons licensed to do so under the Isle of Man Financial Services Act 2008; or
- (ii) to persons: (a) licensed under Isle of Man Financial Services Act 2008; or (b) falling within exclusion 2(r) of the Isle of Man Regulated Activities Order 2011 (as amended); or (c) whose ordinary business activities involve them in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of their business.

The Initial Issue referred to in this Securities Note and this Securities Note are not available in or from within the Isle of Man other than in accordance with paragraphs (i) and (ii) above and must not be relied upon by any person unless made or received in accordance with such paragraphs

Other overseas territories

Investors in jurisdictions other than Australia, Canada, Japan, South Africa, Switzerland and the United States should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to purchase any Ordinary Shares under the Initial Issue or the Share Issuance Programme.

**10 London time**

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

**11 Advice**

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 Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, taxation, investment or any other related matters concerning the Company and an investment therein. Statements made in the Prospectus are based on the law and practice currently in force in England and Wales and the United States and are subject to changes therein.

**12 Constitution**

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



## PART 5

### REASONS FOR THE INITIAL ISSUE, SHARE ISSUANCE PROGRAMME AND ADMISSION

#### 1 Background to the Initial Issue

The Initial Issue comprises the Placing and the Offer for Subscription. The Company is seeking to raise up to approximately £65 million (before expenses) through the Initial Issue at the Issue Price, which it will deploy in line with its Investment Policy. The Initial Issue is not being underwritten.

The Board has reserved the right, in conjunction with Stifel, to increase the size of the Initial Issue up to a maximum of 150 million New Ordinary Shares in aggregate if there is sufficient demand, by increasing the size of the Placing, the Offer for Subscription or both by reallocating Ordinary Shares available under the Share Issuance Programme to the Initial Issue. The total actual number of New Ordinary Shares to be issued under the Initial Issue, and therefore the Gross Initial Issue Proceeds, are not known at the date of this Securities Note and will be determined by the Company, the Investment Adviser and Stifel after taking into account demand for the New Ordinary Shares and will be notified by the Company via a RIS announcement prior to Admission.

In addition to the Initial Issue, the Company is proposing to implement the Share Issuance Programme. Under the Share Issuance Programme, the Company intends to issue up to 150 million Ordinary Shares (less the number of New Ordinary Shares issued pursuant to the Initial Issue) in Tranches. Each Tranche will comprise a placing on similar terms to the Placing and may, at the discretion of the Company in consultation with Stifel, comprise an open offer component and/or an offer for subscription component on similar terms to the Offer for Subscription. The issue price for Ordinary Shares issued pursuant to the Share Issuance Programme is not known at the date of this Registration Document and may be different from the Issue Price of New Ordinary Shares issued pursuant to the Initial Issue.

The Company expects to use the net issue proceeds of both the Initial Issue and the Share Issuance Programme (the “**Net Issue Proceeds**”) to acquire further investments in line with its Investment Policy.

#### 2 Reasons for the Initial Issue, the Share Issuance Programme and Admission

The Investment Adviser has access to a pipeline of potential investments and is engaged in discussions with the owners of a number of assets that meet the Company’s investment criteria and are available for acquisition in the near term. As at the date of this Securities Note, the Company has no contractual obligations with potential vendors in place.

The Directors believe that the Initial Issue, the Share Issuance Programme and Admission are important steps in the REIT Group’s development and will provide the Company with funds to capitalise on these pipeline investment opportunities.

The Company currently expects to deploy the Net Issue Proceeds within six months of Admission.

The Directors believe that the Initial Issue and the Share Issuance Programme have the following principal benefits for Shareholders:

- the Net Issue Proceeds will be used to invest further in operational properties let to UK supermarket operators, diversifying the Portfolio, providing strategic flexibility and capitalizing on the Company’s leading position in the supermarket real estate market;
- the Initial Issue and the Share Issuance Programme will allow the Company to tailor future equity issuance to its immediate pipeline, providing flexibility and minimising cash drag;
- an increase in the size of the Company should improve liquidity and enhance the marketability of the Company and result in a broader investor base over the longer term; and
- an increase in the size of the Company will spread its fixed operating expenses over a larger issued share capital.



The Directors intend to continue to increase the size and scale of the Company over a timely and appropriate period in order to allow it, amongst other things, to maximise its in-built economies of scale, including when negotiating asset improvements across the Portfolio with its tenants. In order to move closer to this objective, whilst also minimising the costs associated with equity issues, the Directors intend to implement the Share Issuance Programme, alongside the Initial Issue. The Share Issuance Programme allows the Directors the flexibility to issue, over the course of the next 12 months, in aggregate up to 150 million Ordinary Shares (less the number of New Ordinary Shares issued pursuant to the Initial Issue).

## PART 6

### THE INITIAL ISSUE

#### 1 Introduction

The Company is seeking to raise up to approximately £65 million (before expenses) through the Placing and Offer for Subscription. The minimum proceeds required for the Initial Issue to proceed are £20 million (the “**Minimum Proceeds**”).

The Initial Issue, which is not underwritten, is conditional upon, *inter alia*:

- (a) Admission having become effective on or before 8.00 a.m. on 25 May 2018 or such later time and/or date as the Company and Stifel may agree;
- (b) the Placing Agreement becoming wholly unconditional (save as to Admission and in respect of any condition which relates to the Share Issuance Programme) and not having been terminated in accordance with its terms at any time prior to Admission;
- (c) the Resolutions being passed by Shareholders at the General Meeting (without material amendment); and
- (d) the Minimum Proceeds having been raised pursuant to the Initial Issue.

If these conditions are not met, the Initial Issue will not proceed and an announcement to that effect will be made via a RIS announcement. If the Initial Issue does not proceed, the Share Issuance Programme will still be implemented, assuming the Resolutions are passed.

Application will be made for the New Ordinary Shares to be admitted to trading on the Specialist Fund Segment on the London Stock Exchange’s main market for listed securities.

As at 31 March 2018, the unaudited Net Asset Value per Share was 96 pence.

#### 2 The Placing

The Company, the Investment Adviser and Stifel have entered into the Placing Agreement pursuant to which Stifel has agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for New Ordinary Shares made available in the Placing at the Issue Price. The Placing is not being underwritten.

The Company has also appointed Goodbody Stockbrokers UC (“**Goodbody**”) as an additional placing agent to procure subscribers for New Ordinary Shares pursuant to the Placing, subject to the terms of an engagement letter dated 25 April 2018 executed by the Company and Goodbody, more details of which are set out in paragraph 12.10 of Part 14 of the Registration Document.

Applications under the Placing will be subject to the terms and conditions set out in Part 11 of this Securities Note. Commitments under the Placing, once made, may not be withdrawn without the consent of the Directors.

The Placing will close at 11.00 a.m. on 22 May 2018 (or such later date as the Company and Stifel may agree). If the Placing timetable is changed, the revised timetable will be notified through a Regulatory Information Service.

Participants in the Placing will be advised verbally or by electronic mail of their allocation as soon as practicable following allocation. Investors will be contractually committed to acquire the number of New Ordinary Shares allocated to them pursuant to the Placing at the Issue Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment.

The Placing is conditional upon, among other things:

- the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission;
- Admission having become effective on or before 8.00 a.m. on 25 May 2018 or such later time and/or date as the Company and Stifel may agree (being not later than 8.00 a.m. on 15 June 2018); and
- the Minimum Proceeds being raised (or such lesser amount as the Company and Stifel may determine and notify to investors via an RIS announcement and a supplementary prospectus).

### 3 The Offer for Subscription

New Ordinary Shares are available under the Offer for Subscription, at the discretion of the Directors (in consultation with Stifel). The Offer for Subscription is only being made in the UK but, subject to applicable law, the Company may allot New Ordinary Shares on a private placement basis to applicants in other jurisdictions. The terms and conditions of application under the Offer for Subscription are set out in Part 12 of this Securities Note and an Application Form can be found at the end of this Securities Note. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbroker, bank manager solicitor, accountant or other financial adviser if they are in any doubt about the contents of this Securities Note.

All applications for New Ordinary Shares under the Offer for Subscription will be payable in full, in Sterling, by a cheque or banker's draft drawn on a UK clearing bank made payable to **"Link Market Services Ltd Re: Supermarket Income REIT plc – 2018 OFS A/C"**. Applications must be made using the relevant Application Form attached hereto and must be for a minimum of 1,000 New Ordinary Shares and thereafter in multiples of 1,000 New Ordinary Shares. The Company may, in its absolute discretion, determine to accept applications in lesser amounts.

Investors subscribing for New Ordinary Shares pursuant to the Offer for Subscription may elect whether to hold the New Ordinary Shares in certificated form, or in uncertificated form through CREST. If an investor requests for New Ordinary Shares to be issued in certificated form on the Application Form and ticks the relevant box to request a share certificate, a share certificate will be despatched either to them or their nominated agent (at their own risk) within 14 days of completion of the registration process of the New Ordinary Shares. As further set out in the Application Form, investors who elect to hold their New Ordinary Shares in certificated form may elect at a later date to hold their New Ordinary Shares through CREST in uncertificated form, provided that they surrender their share certificates and provide any requested "know your client" evidence requested by the Company and/or the Receiving Agent.

### 4 Basis of allocation under the Initial Issue

All New Ordinary Shares issued pursuant to the Initial Issue will be issued or sold at the Issue Price. Allocations have been determined at the discretion of the Board (following consultation with Stifel) after indications of interest to acquire New Ordinary Shares from prospective investors have been received.

The Board has reserved the right, in conjunction with Stifel, to increase the size of the Initial Issue up to a maximum of 150 million New Ordinary Shares in aggregate if there is sufficient demand, by increasing the size of the Placing, the Offer for Subscription or both by reallocating Ordinary Shares available under the Share Issuance Programme to the Initial Issue.

In the event that commitments under the Initial Issue exceed the maximum number of New Ordinary Shares available, applications under the Initial Issue will be scaled back at the Company's discretion in consultation with Stifel.

### 5 General

Subject to those matters on which the Initial Issue is conditional, the Directors (in consultation with Stifel) may bring forward (to the extent possible) or postpone the closing date for the Placing and the Offer for Subscription.

To the extent that any application for subscription is rejected in whole or in part, or if the Initial Issue does not proceed, monies received will be returned to each relevant applicant by electronic transfer to the account from which payment was originally received or by cheque (as applicable) at its risk and without interest.

The Company does not propose to accept multiple subscriptions. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is being made. Multiple applications or suspected multiple applications on behalf of a single client are liable to be rejected.

The ISIN for the New Ordinary Shares is GB00BF345X11 and the SEDOL is BF345X1.

## **6 Withdrawal rights**

Persons wishing to exercise statutory withdrawal rights after the issue by the Company of a prospectus supplementary to this Securities Note must do so by lodging a written notice of withdrawal (and for these purposes a written notice includes a notice given by fax or email) which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such a person is a CREST member, the participant's ID and the member account ID of such CREST member, with the Receiving Agent, so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after the expiry of such period will not constitute a valid withdrawal.

## **7 Dealing arrangements**

Application will be made to the London Stock Exchange for all the Ordinary Shares to be admitted to trading on the Specialist Fund Segment. Listing of the Ordinary Shares is not being sought on any other stock exchange or securities market.

Pursuant to approval by the London Stock Exchange, it is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 am on 25 May 2018 and the earliest date for settlement of such dealings will be on that date.

The Ordinary Shares are in registered form and can be held in certificated or uncertificated form. Title to certificated Ordinary Shares (if any) will be evidenced in the register of members of the Company and title to uncertificated Ordinary Shares will be evidenced by entry into the operator register maintained by the Registrar (which will form part of the register of members of the Company).

It is intended that allocations of Ordinary Shares to investors who wish to hold Ordinary Shares in uncertificated form will take place through CREST on Admission.

It is intended that, where applicable, definitive share certificates in respect of the Initial Issue will be posted by first class post from the week commencing 28 May 2018 or as soon thereafter as is practicable. The Ordinary Shares are in registered form and can also be held in uncertificated form. Dealings in advance of the crediting of the relevant CREST stock account shall be at the risk of the person concerned. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are not settled in CREST, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

## **8 CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. Upon Admission, the Articles of Association will permit the holding of Ordinary Shares under CREST. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if any Shareholder so wishes.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

## **9 Overseas investors**

The attention of persons resident outside the UK is drawn to the notices to investors set out on paragraph 9 of Part 4 of this Securities Note which set out restrictions on the holding of Ordinary Shares by such persons in certain jurisdictions.

In particular investors should note that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the U.S. Investment Company Act. Accordingly, the Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons.

## **10 Profile of a typical investor**

The New Ordinary Shares are designed to be suitable for institutional investors and professionally-advised private investors. The New Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the New Ordinary Shares.

## **11 General**

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

In the event that there are any significant changes affecting any of the matters described in this Securities Note or where any significant new matters have arisen after the publication of this Securities Note and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors (in consultation with Stifel) may in their absolute discretion waive the minimum application amounts in respect of any particular application for New Ordinary Shares under the Initial Issue.

## PART 7

### THE SHARE ISSUANCE PROGRAMME

#### 1 Introduction

Under the Share Issuance Programme, the Company is proposing to issue up to 150 million Ordinary Shares in Tranches (less the number of New Ordinary Shares issued pursuant to the Initial Issue). Each Tranche will comprise a placing on similar terms to the Placing and may, at the discretion of the Company in consultation with Stifel, comprise an open offer and/or an offer for subscription component on similar terms to the Offer for Subscription.

The Share Issuance Programme is being implemented in order to allow the Company to tailor future equity issuance to its immediate pipeline, providing flexibility and minimising cash drag. Any funds raised will be invested in accordance with the Company's Investment Policy, as described in the Registration Document.

The total net proceeds of the Share Issuance Programme will depend on the number of Ordinary Shares issued throughout the Share Issuance Programme, the issue price of such Ordinary Shares, and the aggregate costs and commissions for each Tranche.

The size and frequency of each Tranche, and of each placing and/or open offer component and/or offer for subscription component of each Tranche, will be determined in the sole discretion of the Company in consultation with Stifel.

#### 2 Terms of the Share Issuance Programme

The Share Issuance Programme will open on 25 April 2018 and it is anticipated that there will be a separate closing for each Tranche such that Ordinary Shares will be allotted on such dates as are determined by the Directors until the earliest to occur of: (a) the first anniversary of the date of the Registration Document; (b) the date on which an aggregate of 150 million Ordinary Shares have been admitted to trading on the SFS pursuant to the Initial Issue and the Share Issuance Programme; and (c) such other date as may be agreed between Stifel and the Company. Issuances may take place at any time prior to the final closing date as set out above. In relation to a Tranche, a new securities note and new summary will, to the extent necessary, be published and an announcement will be released through a Regulatory Information Service, including details of the number of Ordinary Shares allotted and the applicable issuance price.

The issue of Ordinary Shares under the Share Issuance Programme is not being underwritten and, as at the date of this Securities Note, the actual number of Ordinary Shares to be issued under the Share Issuance Programme is not known. The number of Ordinary Shares available under the Share Issuance Programme should not be taken as an indication of the number of Ordinary Shares finally to be issued.

Ordinary Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with the existing Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

The issue price of Ordinary Shares issued pursuant to the Share Issuance Programme will be determined by the Board and will be calculated with reference to the most recent NAV per Share at the time of issue and rounded to two decimal places. In determining the issue price of Ordinary Shares issued pursuant to the Share Issuance Programme, the Board will also take into consideration, *inter alia*, the prevailing market conditions at that time. The issue price of Ordinary Shares issued through the Share Issuance Programme will be announced through an RIS.

The issuance of each Tranche of Ordinary Shares pursuant to the Share Issuance Programme is conditional upon, *inter alia*:

- admission of the Ordinary Shares issued pursuant to such Tranche;
- the Placing Agreement having become unconditional in respect of the relevant Tranche and not having been terminated in accordance with its terms before the relevant admission;



- the disapplication of pre-emption rights in connection with the Share Issuance Programme by Shareholders at the General Meeting to be held on 21 May 2018 (or at any adjournment thereof); and
- in relation to non-pre-emptive offerings, the issue price being non-dilutive to the then current Net Asset Value per Ordinary Share, after taking into account the associated issue expenses.

In circumstances in which these conditions are not fully met, the relevant issue of Ordinary Shares pursuant to the Share Issuance Programme will not take place.

The Share Issuance Programme will be suspended at any time when the Company is unable to issue Ordinary Shares pursuant to the Share Issuance Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

The total number of Ordinary Shares issued in any Tranche will be determined at the discretion of the Directors in consultation with Stifel and the Investment Adviser after taking into account demand for the Ordinary Shares and prevailing economic and market conditions.

Ordinary Shares issued in any Tranche may be held in certificated form or in uncertificated form. Assuming the conditions of a Tranche are met and admission occurs, all Ordinary Shares will be admitted to the Specialise Fund Segment and to trading on the London Stock Exchange's main market for listed securities regardless of whether they are held in certificated form or in uncertificated form.

### **3 The Share Issuance Programme timetable**

The Share Issuance Programme will open on 25 April 2018 and will close on the earliest to occur of: (a) the first anniversary of the date of the Registration Document; (b) the date on which an aggregate of 150 million Ordinary Shares have been admitted to trading on the Specialist Fund Segment pursuant to the Initial Issue and the Share Issuance Programme; and (c) such other date as may be agreed between Stifel and the Company. No Ordinary Shares will be issued at a discount to the prevailing Net Asset Value per Ordinary Share. Notification of any extension will be via a Regulatory Information Service announcement.

Allotment and issuances may take place at any time prior to the final closing date or the first anniversary of the date of the Registration Document. An announcement of each allotment and issue will be released through a Regulatory Information Service, including details of the number of Ordinary Shares allotted and issued and the applicable issue price for the allotment and issue.

### **4 The issue price and issue costs**

It is intended that the price at which Ordinary Shares are issued on a non-pre-emptive basis under the Share Issuance Programme will always represent a premium to the prevailing Net Asset Value per Ordinary Share.

### **5 General information relating to the Share Issuance Programme**

The Company, the Investment Adviser and Stifel have entered into the Placing Agreement, pursuant to which Stifel has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Ordinary Shares made available under any placing component of the Share Issuance Programme.

Applications under each Tranche will, depending upon whether the application is in respect of a placing, open offer or offer for subscription component of a Tranche, be on the terms and conditions set out in the Part 11 ("**Terms and conditions of the Placing**") of this Securities Note if a placing and/or Part 12 ("**Terms and conditions of the Offer for Subscription**") of this Securities Note if an offer for subscription, as applicable, as modified by any relevant supplementary prospectus or securities note applicable to the relevant Tranche.

The basis of allocation under each Tranche shall be determined by the Directors in consultation with Stifel. The Directors, in consultation with Stifel, may scale back subscriptions at their discretion and, in any event, will scale back subscriptions at their discretion if subscriptions under the Share Issuance Programme exceed the maximum number of Ordinary Shares available under the Share Issuance Programme.

To the extent that any application for subscription is rejected in whole or in part, or the Directors determine in their absolute discretion that any Tranche should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

Subject to those matters on which each Tranche is conditional, the Directors, in consultation with Stifel may postpone the closing date for such Tranche.

## **6 Overseas investors**

The attention of persons resident outside the UK is drawn to the notices to investors set out on paragraph 11 of Part 4 of this Securities Note which set out restrictions on the holding of Ordinary Shares by such persons in certain jurisdictions.

In particular investors should note that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the U.S. Investment Company Act. Accordingly, the Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons.

## **7 Profile of a typical investor**

The Ordinary Shares are designed to be suitable for institutional investors and professionally-advised private investors. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Ordinary Shares.

## PART 8

### CAPITALISATION AND INDEBTEDNESS

The tables below set out the capitalisation of the REIT Group at 31 December 2017 (sourced from its audited financial statements) and the indebtedness of the REIT Group as at 31 March 2018 (sourced from its unaudited management accounts):

|   | <b>Unaudited<br/>£000</b> |
|---|---------------------------|
| <b>Total current debt</b>   |                           |
| Guaranteed  | —                         |
| Secured   | —                         |
| Unguaranteed/unsecured  | —                         |
|   | —                         |
| <b>Total non-current debt (excluding current portion of long term debt)</b> |                           |
| Guaranteed  | —                         |
| Secured   | 95,483                    |
| Unguaranteed/unsecured  | —                         |
|   | <b>95,483</b>             |
| <b>Total indebtedness</b>   | <b>95,483</b>             |
| <b>Shareholders' equity</b>   |                           |
| Share capital   | 1,200                     |
| Share premium reserve   | 86,362                    |
| Capital reduction reserve   | 28,625                    |
| Cash flow hedge reserve   | (90)                      |
| <b>Total capitalisation</b>   | <b>116,097</b>            |

The table below sets out the net financial indebtedness of the Group as at 31 March 2018:

|   | <b>Unaudited<br/>£000</b> |
|---|---------------------------|
| Cash                                      | 2,951                     |
| Cash equivalent                           | —                         |
| Trading securities                        | —                         |
| <b>Liquidity</b>                          | <b>2,951</b>              |
| <b>Current financial receivables</b>      |                           |
| Current bank debt                         | —                         |
| Current portion of non current debt       | —                         |
| Other current financial debt              | —                         |
| <b>Current financial debt</b>             | <b>—</b>                  |
| <b>Net current financial indebtedness</b> | <b>2,951</b>              |
| Non current bank loans                    | (95,483)                  |
| Bonds issued                              | —                         |
| Other non current loans                   | —                         |
| <b>Non current financial indebtedness</b> | <b>(95,483)</b>           |
| <b>Net financial indebtedness</b>         | <b>(92,532)</b>           |

Notes to the capitalisation and net indebtedness statement

- (a) The Shareholders' equity, which relates solely to the Company, is extracted without material adjustment from the audited financial statements of the REIT Group for the period ended 31 December 2017. Capitalisation does not include profit and loss reserve in accordance with the ESMA update of the CCSR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004.
- (b) There has been no material change in the capitalisation of the REIT Group since 31 December 2017 to the date of this Securities Note.

## PART 9

### TAXATION

#### 1 General

The statements below are intended to be a general summary of certain UK tax considerations relevant to prospective investors in the Ordinary Shares. This is not a comprehensive summary of all aspects of the taxation of the REIT Group and Shareholders and is not intended to constitute legal or tax advice.

The statements below are based on current UK tax law and what is understood to be the current practice (which may not be binding) of HMRC as at the date of this document, both of which are subject to change, possibly with retrospective effect. Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor investing in the Company may depend on the investor's own tax position and upon relevant laws of any jurisdiction to which the investor is subject.

If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

#### 2 The UK tax treatment of UK tax resident Shareholders

*The following statements do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares.*

*They relate only to Shareholders who are resident and domiciled for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than under an individual savings account, except insofar as express reference is made to the contrary) and who are the absolute beneficial owners of both the Ordinary Shares and any dividends paid on them.*

*The tax position of certain categories of Shareholder who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Ordinary Shares in connection with an office or their (or another person's) employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the REIT Group, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or resident in the UK, collective investment schemes and those who hold ten per cent. or more of the Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC-approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme, or any person able to claim any inheritance tax relief or holding Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Shareholder, a permanent establishment or otherwise).*

*The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.*

##### 2.1 Dividends

When a REIT pays a dividend (including a stock dividend), that dividend will be a PID to the extent necessary to satisfy the 90 Per Cent Distribution Condition or the 100 Per Cent Distribution Condition. If the dividend exceeds the amount required to satisfy that condition, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business.

Any remaining balance of the dividend (or other distribution) will be a PID to the extent it is paid out of any remaining income profits of the UK Property Rental Business or gains which are exempt from tax by virtue of the REIT regime. Any further remaining balance (for example any remaining balance attributed to capital gains which are outside the scope of UK taxation) will be a Non-PID Dividend.

## **2.2 Non-PID Dividends**

Non-PID Dividends are treated in the same way as dividends received from UK companies that are not REITs. The Company is not required to withhold tax when paying a Non-PID Dividend.

### **2.2.1 Shareholders who are individuals**

An individual shareholder who is tax resident in the UK and who receives a Non-PID Dividend from the Company is entitled to an annual tax-free allowance of dividend income (which is taxed at 0 per cent.). This allowance is £2,000 of dividend income for the 2018/2019 tax year and subsequent tax years.

To the extent that an individual shareholder's total dividend income exceeds the tax-free allowance, tax will be imposed at the rates of 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

### **2.2.2 Shareholders who are within the charge to corporation tax**

A Shareholder who is charged UK corporation tax and which is a "small company" for the purposes of UK taxation of dividends will generally not be subject to tax on Non-PID Dividends provided certain conditions are satisfied.

A Shareholder within the charge to UK corporation tax and which is not treated as a "small company" for the purposes of UK taxation of dividends will similarly not be subject to tax on Non-PID Dividends provided that the dividends fall within an exempt class and do not fall within certain anti-avoidance provisions. Exempt classes include dividends in respect of portfolio holdings (where the recipient owns less than 10 per cent. of the share capital of the payer) and dividends paid on "non-redeemable ordinary shares" for UK tax purposes.

## **2.3 PIDs**

### **2.3.1 Shareholders who are individuals**

A PID will generally be treated in the hands of individuals as the profit of a single UK property business (as defined in Part 3 of the Income Tax (Trading and Other Income) Act 2005), subject to certain exceptions. A PID is, together with any PID from any other UK REIT, treated as a separate UK property business carried on by the relevant Shareholder. This means that any surplus expenses from any other property business of a Shareholder cannot be offset against a PID.

A Shareholder who is subject to income tax at the basic rate will be liable to pay income tax at a rate of 20 per cent., higher rate taxpayers will be liable to pay income tax at a rate of 40 per cent. and additional rate taxpayers will be liable to pay income tax at 45 per cent.

The £1,000 property income allowance introduced by Finance (No. 2) Act 2017 (and inserted at Part 6A of the Income Tax (Trading and Other Income) Act 2005) does not apply to PIDs.

Please also see paragraph 2.4 (withholding tax) below.

### **2.3.2 Shareholders who are within the charge to corporation tax**

A PID will generally be treated in the hands of its Shareholders who are charged UK corporation tax as the profit of a property business (as defined in Part 4 Corporation Tax 2009). A PID is, together with any PID from another UK REIT, treated as a separate property business carried on by the relevant Shareholder and must be accounted for separately. This means that any surplus expenses from any other property business of a Shareholder cannot be offset against a PID.

Please also see paragraph 2.4 (withholding tax) below.



### 2.3.3 **Shareholders who are not resident for tax purposes in the UK**

Where a Shareholder who is resident for tax purposes outside of the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding tax. Under section 548(7) CTA 2010, this income is expressly not non-resident landlord income for the purposes of regulation under section 971 Income Tax Act 2007.

It should be noted that HM Treasury and HMRC issued a consultation on 20 March 2017 relating to their proposal to bring non-resident companies within the charge to UK corporation tax on their income from 6 April 2020.

Please also see paragraph 2.4 (withholding tax) below.

## 2.4 **Withholding tax**

### 2.4.1 **General**

Subject to certain exceptions summarised below, the Company is required to withhold income tax at the basic rate from its PIDs. The Company provides Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

### 2.4.2 **Shareholders solely resident in the UK**

Where UK income tax has been withheld at source, individual Shareholders may, depending on their circumstances, either be liable to further tax on the PID at the applicable marginal rate or be entitled to claim repayment of some or all of the tax withheld on the PID.

Corporate Shareholders may, depending on their circumstances, be liable to pay UK corporation tax on their PID. However, it should be noted that where (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax, or income tax which they are required to withhold, in the accounting period in which the PID is received.

### 2.4.3 **Shareholders who are not resident for tax purposes in the UK**

It is not possible for a Shareholder to make a claim under a relevant double taxation treaty with the UK for a PID to be paid by the Company gross or subject to withholding at a reduced rate. However, the Shareholder may be able to claim repayment of any part of the tax withheld from a PID, depending on the existence and terms of any such double taxation treaty between the UK and the country in which the Shareholder is resident for tax purposes.

### 2.4.4 **Exceptions to requirement to withhold income tax**

In certain circumstances, the Company is not required to withhold income tax at source from a PID. These circumstances include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the sub-scheme administrator of certain sub-schemes or the account manager of an ISA, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

The Company will also not be required to withhold income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership each member of which is a body described in the paragraph above.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to receive the PID gross before paying any PID to such Shareholder. For that purpose, the Company will require such Shareholders to submit a valid claim form. Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

## 2.5 ***Disposal of Ordinary Shares***

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to UK capital gains tax in respect of any gain arising on the disposal of their Ordinary Shares. Subject to the availability of any exemptions, relief and/or allowable losses, a gain on the disposal of Ordinary Shares will be liable to tax at the current rates of 10 per cent. for basic rate tax payers and 20 per cent. for higher and additional rate tax payers. Shareholders who are temporarily non-resident in the UK may still be liable to UK tax on any capital gains realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax (currently at 19 per cent. but reducing to 17 per cent. from April 2020) on chargeable gains arising on a disposal of Ordinary Shares, subject to the availability of any exemptions, reliefs and/or allowable losses.

Capital losses realised on a disposal of Ordinary Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any losses remaining can be carried forward without time limit and set off against net chargeable gains (i.e. after deducting the annual exemption) in the earliest later tax year. Losses generally cannot be carried back.

## 2.6 ***Transfer of assets abroad***

The attention of individual Shareholders is drawn to the provisions contained in Chapter 2, Part 13 Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may apply where a UK resident person makes a relevant transfer to a non-resident person and, as a result, income from which the individual may benefit becomes payable to that non-resident person.

There are, however, provisions which provide exemption from a charge to income tax in the above circumstances provided that the individual satisfies the board of HMRC that either: (i) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or (ii) all the relevant transactions were genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of those transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

## 2.7 ***Stamp duty and stamp duty reserve tax ("SDRT")***

***The comments in this paragraph 2.7 apply regardless of whether Shareholders are UK tax resident***

No UK stamp duty or SDRT will be payable on the issue of Ordinary Shares.

Transfers of Ordinary Shares will generally be subject to stamp duty or SDRT at the rate of 0.5 per cent. of the consideration for the transfer (the duty payable being rounded up in the case of stamp duty to the nearest £5.00).

## 2.8 ***ISAs, SSASs and SIPP***

Generally, Ordinary Shares acquired by a UK resident individual under a public offer (including the Offer for Subscription) or in the secondary market (but not as part of a placing or an open offer and not as part of the Placing) should be eligible to be held in an Individual Savings Account ("ISA"), subject to applicable annual subscription limits. Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility.

Subject to the rules of the trustees of the relevant scheme, the Ordinary Shares should generally be eligible for inclusion in a small self-administered scheme ("SSAS") or self-invested personal pension ("SIPP") provided: (a) no member of the SSAS or SIPP (or person connected with such a member) occupies or uses any residential property held by the REIT Group; and (b) the SSAS or SIPP, alone or together with one or more associated persons, does not directly or indirectly hold 10 per cent. or more of any of the Ordinary Shares, voting rights in the Company, rights to income of the Company, rights to amounts on a distribution of the Company or rights to assets on a winding up of the Company.

## PART 10

### ADDITIONAL INFORMATION

#### 1 Responsibility

The Directors, whose names are set out in Part 3 (“**Directors, Registered Office, Secretary and Advisers**”) of this Securities Note, and the Company accept responsibility for the information contained in this Securities Note. To the best of the knowledge of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information, or which would make any statement contained herein misleading.

#### 2 Share capital

2.1 On incorporation, one Ordinary Share was issued (fully paid) for the purposes of incorporation to the subscriber to the Company’s memorandum of association, and 50,000 Redeemable Preference Shares were issued to Atrato Capital Limited and were paid up as to one quarter of their nominal value. As part of the IPO, the Redeemable Preference Shares issued to Atrato Capital Limited were redeemed.

2.2 Since the date of incorporation of the Company, the following changes have occurred to the Company’s share capital:

2.2.1 on 21 July 2017 the Company issued 100,000,000 Ordinary Shares pursuant to the IPO in accordance with the resolutions noted in paragraph 2.5.1 below;

2.2.2 on 15 November 2017 the Company issued a further 19,999,999 Ordinary Shares in accordance with the resolutions noted in paragraph 2.5.3 below; and

2.2.3 on 1 December 2017, when it was discovered that the single Ordinary Share issued to the Investment Adviser on the Company’s incorporation was still in issue, the Company bought back and cancelled that single Ordinary Share.

2.3 The Company’s issued and fully paid share capital as at 24 April 2018 (being the last practical day prior to publication of this Securities Note) was as follows:

| Class           | Nominal value | Issued and fully paid |              |
|-----------------|---------------|-----------------------|--------------|
|                 |               | Number                | Amount (£)   |
| Ordinary Shares | £0.01 each    | 119,999,999           | 1,199,999.99 |

2.4 The Company’s issued and fully paid share capital immediately following Admission, assuming 64,356,435 New Ordinary Shares are issued pursuant to the Initial Issue, is expected to be as follows

| Class           | Nominal value | Issued and fully paid |              |
|-----------------|---------------|-----------------------|--------------|
|                 |               | Number                | Amount (£)   |
| Ordinary Shares | £0.01 each    | 184,356,435           | 1,843,564.35 |

#### 2.5 Resolutions passed at the IPO

On 9 June 2017, resolutions of the Company were passed such that:

2.5.1 the Directors were generally and unconditionally authorised in accordance with Section 551 of the Companies Act, in substitution for all prior authorities conferred upon the Directors in respect of the allotment of shares, to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £3,500,000 in connection with the IPO, such authority to expire immediately following the IPO, 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 Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;

2.5.2 the Directors were generally empowered (pursuant to Section 570 of the Companies Act) to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2.5.1 above as if Section 561 of the Companies Act did not apply to any such allotment, such power to expire immediately following the IPO, 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 Ordinary 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;

2.5.3 immediately following the expiry of the authority provided by the resolution referred to in paragraph 2.5.2 above, the Directors were generally and unconditionally authorised in accordance with Section 551 of the Companies Act to exercise all the powers of the Company:

2.5.3.1 to allot Ordinary Shares comprising equity securities (within the meaning of section 560 of the Companies Act) up to a maximum aggregate nominal amount of the lower of: (i) £1,666,666; and (ii) one third of the entire issued share capital of the Company immediately following the IPO; and further

2.5.3.2 to allot Ordinary Shares comprising equity securities (within the meaning of section 560 of the Companies Act) up to an aggregate nominal amount of the lower of: (i) £1,666,666; and (ii) one third of the entire issued share capital of the Company immediately following the IPO in connection with an offer by way of a rights issue in favour of holders of Ordinary Shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares, but subject to such exclusions, limits, restrictions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange,

for a period expiring (unless previously revoked, varied or renewed) at the earlier of 8 September 2018 and the end of the next annual general meeting of the Company, provided 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 Ordinary 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;

2.5.4 to take effect immediately following expiry of the authority given in the resolution referred to in paragraph 2.5.2 above, the Directors were generally empowered pursuant to section 570 and section 573 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) and to sell Ordinary Shares from treasury for cash, pursuant to the authority referred to in paragraph 2.5.3 above as if section 561(1) of the Companies Act did not apply to such allotment, provided that this power shall expire (unless previously revoked, varied or renewed) at the end of the first annual general meeting of the Company, provided that this power shall be limited to the allotment of equity securities:

2.5.4.1 in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) in favour of holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares but subject to such exclusions, limits, restrictions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

- 2.5.4.2 otherwise than pursuant to paragraph 2.5.4.1 above, up to 20 per cent. of the entire issued share capital of the Company,
- provided 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 Ordinary 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;
- 2.5.5 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 Ordinary Shares provided that:
- 2.5.5.1 the maximum number of Ordinary Shares hereby authorised to be purchased is 14.99 per cent. of the Ordinary Shares in issue immediately following completion of the Initial Issue;
- 2.5.5.2 the minimum price which may be paid for an Ordinary Share is £0.01;
- 2.5.5.3 the maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) five per cent. above the average of the mid-market value of the Ordinary Shares for the five Business Days before the purchase is made or (ii) that stipulated by the regulatory technical standards adopted by the EU pursuant to the Market Abuse Regulation from time to time; and
- 2.5.5.4 such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and 8 September 2018, save that the Company may contract to purchase Ordinary Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary Shares in pursuance of such contract.
- 2.6 ***Resolutions to be proposed as the General Meeting***
- 2.6.1 The Company currently does not have sufficient authority to allot the New Ordinary Shares under the Companies Act to effect the Initial Issue, or to allot further Ordinary Shares pursuant to the Share Issuance Programme. Accordingly, the Resolutions, as set out in the Notice of General Meeting, are being proposed at the General Meeting, in substitution for the resolutions passed in connection with the IPO, to grant the Directors authority to allot and issue Ordinary Shares up to a maximum aggregate nominal amount of £1.5 million on a non-pre-emptive basis.
- 2.6.2 In accordance with the authority referred to in paragraph 2.6.1 above, it is expected that the New Ordinary Shares to be issued pursuant to the Initial Issue will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission in accordance with the Companies Act.
- 2.7 The provisions of section 561(1) of the Companies Act (which 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 other than by way of allotment to employees under an employees' share scheme as defined in section 1166 of the Companies Act) apply to issues by the Company of equity securities (in respect of which the Directors have authority to make allotments pursuant to section 551 of the Companies Act), except to the extent such provisions have been disapplied.
- 2.8 The Companies Act abolished the requirement for companies incorporated in England and Wales to have an authorised share capital. Furthermore, the Articles of Association do not contain a provision expressly limiting the number of Ordinary Shares that can be issued by the Company.
- 2.9 Save as disclosed in this Securities Note:
- 2.9.1 no share or loan capital of the Company has, within three years of the date of this Securities Note, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the Initial Issue and the Share Issuance Programme), fully or partly paid, either for cash or for a consideration other than cash, to any person;



- 2.9.2 no person has preferential subscription rights for any share capital of any member of the REIT Group;
  - 2.9.3 there has been no change in the amount of the issued share or loan capital of the Company within three years of the date of this Securities Note;
  - 2.9.4 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of any such company; and
  - 2.9.5 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 2.10 All of the New Ordinary Shares to be issued pursuant to the Initial Issue and any Ordinary Shares to be issued pursuant to the Share Issuance Programme will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
- 2.11 On Admission, assuming 64,356,435 New Ordinary Shares are issued under the Initial Issue, existing Shareholders who do not participate in the Initial Issue will suffer dilution of 35 per cent. of their interest in the Company.

### **3 Interest of Substantial Shareholders**

Please see paragraph 6.3 of this Part 10.

### **4 Mandatory bids**

- 4.1 The City Code on Takeovers and Mergers (the “**Takeover Code**”) applies to the Company. The Takeover Code is issued and administered by the Panel on Takeovers and Mergers.
- 4.2 Under Rule 9 of the Takeover Code, (i) where a person acquires an interest in shares which (taken together with the shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company or (ii) where a person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of the Company, but does not hold shares carrying more than 50 per cent. of the voting rights of the Company, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in the Company in which he is interested, then in either case that person, together with the persons acting in concert with him, is normally required (except with the consent of the Takeover Panel) to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the Company within the preceding 12 months, to the holders of any class of equity share capital of the Company, whether voting or not, and also to the holders of any other transferable securities carrying voting rights.

### **5 Rights attached to Ordinary Shares**

A full description of the rights attaching to Ordinary Shares is set out in the summary of the Articles of Association in paragraph 8 of Part 14 of the Registration Document.



## 6 Directors' and others' interests

- 6.1 The table below sets out the voting rights (within the meaning of the Disclosure Guidance and Transparency Rules) held, directly or indirectly, by any of the Directors in respect of the share capital of the Company as at 24 April 2018 (being the last practicable date prior to publication of this Securities Note) and immediately following Admission, assuming 64,356,435 New Ordinary Shares are issued pursuant to the Initial Issue:

| Director      | As at 24 April 2018       |                           | Immediately following Admission |                            |
|---------------|---------------------------|---------------------------|---------------------------------|----------------------------|
|               | Number of Ordinary Shares | % of voting share capital | Number of Ordinary Shares)      | % of voting share capital* |
| Nick Hewson   | 280,000                   | 0.2                       | 349,306                         | 0.20                       |
| Vincent Prior | 35,431                    | 0.1                       | 35,431                          | 0.01                       |
| Jon Austen    | 70,000                    | 0.1                       | 99,702                          | 0.05                       |

- 6.2 Save as set out above, no Director holds, or will hold immediately following Admission, directly or indirectly, any voting rights in respect of the Company or any of its subsidiaries.
- 6.3 So far as the Company is aware, as at 24 April 2018 (being the last practicable date prior to publication of this Registration Document) the following persons (other than Directors) hold, directly or indirectly, voting rights in respect of three per cent or more of the Company's issued share capital:

| Shareholder                              | As at 29 March 2018       |                           |
|--|---------------------------|---------------------------|
|  | Number of Ordinary Shares | % of voting share capital |
| Quilter Cheviot Investment Management    | 20,281,382                | 16.9                      |
| TR Property Investment Trust             | 16,900,000                | 14.08                     |
| Smith & Williamson Investment Management | 11,103,605                | 9.25                      |
| Miton Asset Management                   | 9,800,000                 | 8.17                      |
| West Yorkshire Pension Fund              | 8,500,000                 | 7.08                      |
| Hargreave Hale                           | 8,209,542                 | 6.84                      |
| Charles Stanley                          | 4,538,872                 | 3.78                      |
| Premier Fund Management                  | 4,237,500                 | 3.53                      |

- 6.4 Save as set out in paragraph 6.3 of this Part 10, the Company is not aware of any person who, as at 28 April 2018 (being the last practicable day prior to publication of this Registration Document) or immediately following Admission, holds or will hold voting rights, directly or indirectly, in respect of 3 per cent or more of the issued share capital of the Company.
- 6.5 The Company is not aware of any person who immediately following Admission, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 6.6 None of the Shareholders referred to in paragraphs 6.1 and 6.3 of this Part 10 has different voting rights from any other holder of Ordinary Shares.

## 7 Working capital

The Company is of the opinion that the working capital available to the REIT Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Securities Note.

## **8 Consents**

- 8.1 Stifel has given and not withdrawn its written consent to the inclusion in this Securities Note of references to its name in the form and context in which they appear.
- 8.2 The AIFM has given and not withdrawn its written consent to the issue of this Securities Note with references to its name in the form and context in which such references appear.

## **9 General**

- 9.1 The actual net proceeds of the Initial Issue are not known as at the date of this Securities Note but will be notified by the Company via a Regulatory Information Services announcement prior to Admission.
- 9.2 The total net proceeds of the Initial Issue and the Share Issuance Programme will depend on the number of Ordinary Shares issued throughout the Share Issuance Programme, the issue price of such Ordinary Shares, and the aggregate costs and commissions for each Tranche. However, assuming that the Initial Issue and the Share Issuance Programme are fully subscribed for and 150 million Ordinary Shares are issued at a price equal to the Issue Price, the total net proceeds of the Initial Issue and the Share Issuance Programme would be approximately £148 million.

## **10 Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of Macfarlanes LLP during usual business hours on any weekday (Saturdays and public holidays excepted) for a period of 14 days from the date of this Securities Note:

- 10.1 the Articles of Association;
- 10.2 the written consents referred to in paragraph 8 of this Part 10; and
- 10.3 this Securities Note, the Registration Document and the Summary.

Dated: 25 April 2018

## PART 11

### TERMS AND CONDITIONS OF THE PLACING

#### 1 Introduction

- 1.1 Each Placee which confirms its agreement to the Company and/or Stifel to subscribe for New Ordinary Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and/or Stifel may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit.

#### 2 Agreement to subscribe for New Ordinary Shares

Conditional on: (i) Admission becoming effective by not later than 8.00 a.m. (London time) on 25 May 2018 (or such time and/or later date as may be provided for in accordance with the terms of the Placing Agreement); (ii) the Placing Agreement becoming otherwise unconditional in all respects in respect of the Placing, and not being terminated in accordance with its terms before Admission of the Placing becomes effective; (iii) satisfaction of the conditions set out in Part 11 of this Securities Note; and (iv) Stifel confirming to the Placees their allocation of New Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those New Ordinary Shares allocated to it by Stifel 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 New Ordinary Shares

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

#### 4 Representations and warranties

- 4.1 By agreeing to subscribe for New Ordinary Shares, each Placee which enters into a commitment to subscribe for New Ordinary Shares will (for itself and any person(s) procured by it to subscribe for New Ordinary Shares and any nominee(s) for any such person(s)) be deemed to acknowledge, understand, undertake, represent and warrant to each of the Company, the Investment Adviser and Stifel that:
  - 4.1.1 in agreeing to subscribe for New Ordinary Shares under the Placing, it is relying solely on this Securities Note and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Placing. It agrees that none of the Company, the Investment Adviser, Stifel or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

- 4.1.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory or jurisdiction and that it has not taken any action or omitted to take any action which will or might reasonably be expected to result in the Company, the Investment Adviser, Stifel or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- 4.1.3 it has carefully read and understands this Securities Note and any supplementary prospectus issued prior to Admission in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in these terms and conditions and the Articles of Association as in force at the date of Admission;
- 4.1.4 it has not relied on Stifel or any person affiliated with Stifel in connection with any investigation of the accuracy of any information contained in this Securities Note;
- 4.1.5 the content of this Securities Note and any supplementary prospectus issued by the Company is exclusively the responsibility of the Company and its Directors and neither Stifel nor any person acting on their respective behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Securities Note and any supplementary prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this Securities Note or otherwise;
- 4.1.6 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Securities Note and any supplementary prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Adviser or Stifel;
- 4.1.7 it acknowledges the price per New Ordinary Share is fixed at the Issue Price and is payable to Stifel on behalf of the Company in accordance with the terms of this Part 11;
- 4.1.8 it has the funds available to pay in full for the New Ordinary Shares it has agreed to subscribe for pursuant to its placing commitments and it will pay the total subscription in accordance with these terms set out in this Part 11;
- 4.1.9 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.1.10 it accepts that none of the New Ordinary Shares have been or will be registered under the laws of the United States, Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction where the exclusion or availability of the Placing would breach any applicable law. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the United States, Australia, Canada, the Republic of South Africa or Japan unless an exemption from any registration requirement is available;
- 4.1.11 it acknowledges that (i) the Company believes that it may be treated as a “passive foreign investment company” and/or a “controlled foreign corporation” for US federal income tax purposes for its current or any future taxable year, (ii) it understands that there may be certain adverse US tax consequences to such classifications, and (iii) it will seek its own independent specialist advice with respect to the impact of these possible classifications and other US tax consequences to it of investing in the New Ordinary Shares;

- 4.1.12 if it is within the United Kingdom, it is: (i) a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the New Ordinary Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the New Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations; or (ii) a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
- 4.1.13 it (i) is entitled to subscribe for New Ordinary Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for New Ordinary Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations thereby;
- 4.1.14 if it is a resident in the EEA (other than the United Kingdom), (a) it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Directive 2003/71/EC and (b) if that relevant Member State has implemented the AIFMD, that it is a person to whom the New Ordinary Shares may lawfully be marketed under the AIFMD or under the applicable implementing legislation (if any) of that relevant Member State;
- 4.1.15 in the case of any New Ordinary Shares acquired by a Placee as a financial intermediary within the EEA (other than the United Kingdom) as that term is used in article 3(2) of the Prospectus Directive (i) the New Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Stifel has been given to the offer or resale; or (ii) where New Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.1.16 if it is outside the United Kingdom, neither this Securities Note and any supplementary prospectus issued by the Company nor any other offering, marketing or other material in connection with the Placing or New Ordinary Shares constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Ordinary Shares pursuant to the 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 New Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.1.17 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.1.18 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for New Ordinary Shares under the Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;
- 4.1.19 it has complied and will comply with all applicable provisions of the Criminal Justice Act 1993 and the Market Abuse Regulation with respect to anything done by it in relation to the Placing and/or New the Ordinary Shares;

- 4.1.20 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Securities Note (and any supplementary prospectus issued by the Company) or any other offering materials concerning the Placing or the New Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- 4.1.21 it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading “United States Purchase and Transfer Restrictions” in paragraph 5 of this Part 11, below;
- 4.1.22 it acknowledges that neither Stifel nor any of its respective affiliates, nor any person acting on Stifel’s behalf is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and its participation in the Placing is on the basis that it is not and will not be a client of Stifel and that Stifel does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing;
- 4.1.23 that, save in the event of fraud on the part of Stifel, neither Stifel, nor its respective ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of Stifel’s role as Placing Agent and Broker or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients will immediately and irrevocably waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.1.24 it acknowledges that where it is subscribing for New Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account; (i) to subscribe for the New Ordinary Shares for each such account; (ii) to make on each such account’s behalf the representations, warranties and agreements set out in this Securities Note; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Stifel. It agrees that the provision of this paragraph shall survive any resale of the New Ordinary Shares by or on behalf of any such account;
- 4.1.25 it irrevocably appoints any director of the Company and any director of Stifel to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the New Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- 4.1.26 it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the New Ordinary Shares for which valid applications are received and accepted are not admitted to listing on the SFS and to trading on the SFS for any reason whatsoever then neither Stifel, nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.1.27 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and Money Laundering Regulations 2007 (together, the “**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 Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention



of the use of the financial system for the purpose of money laundering and terrorist financing) (the “**Money Laundering Directive**”), together with any regulations and guidance notes issued pursuant thereto; 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;

- 4.1.28 it acknowledges that due to anti-money laundering requirements, Stifel and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Stifel and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Stifel and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
- 4.1.29 it acknowledges and agrees that information provided by it to the Company, Stifel or the Registrar will be stored both on the Registrar’s and the Administrator’s computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Act 1998 (the “**DP Act**”) and other relevant data protection legislation which may be applicable, the Registrar is required to specify the purposes for which it will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the “**Purposes**”), being to:
  - 4.1.29.1 process its personal data (including sensitive personal data) as required by or in connection with its holding of New Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
  - 4.1.29.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of New Ordinary Shares;
  - 4.1.29.3 provide personal data to such third parties as the Registrar or the Administrator may consider necessary in connection with its affairs and generally in connection with its holding of New Ordinary Shares or as the DP Act may require, including to third parties outside the EEA;
  - 4.1.29.4 without limitation, provide such personal data to the Company or the Investment Adviser and each of their respective associates for processing, notwithstanding that any such party may be outside the EEA; and
  - 4.1.29.5 process its personal data for the Registrar’s or the Administrator’s internal administration;
- 4.1.30 in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subject to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph (4.1.26) above). For the purposes of this Securities Note, “**data subject**”, “**personal data**” and “**sensitive personal data**” shall have the meanings attributed to them in the DP Act;
- 4.1.31 Stifel and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.1.32 the representations, undertakings and warranties contained in this Securities Note are irrevocable. It acknowledges that Stifel and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the New Ordinary Shares are no longer accurate, it shall promptly notify Stifel and the Company;

- 4.1.33 where it or any person acting on behalf of it is dealing with Stifel, any money held in an account with Stifel 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 Stifel to segregate such money, as that money will be held by Stifel under a banking relationship and not as trustee;
- 4.1.34 any of its clients, whether or not identified to Stifel, will remain its sole responsibility and will not become clients of Stifel for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.1.35 it accepts that the allocation of New Ordinary Shares shall be determined by Stifel (following consultation with the Company and the Investment Adviser) in its absolute discretion and that Stifel may scale down any commitments for this purpose on such basis as it may determine;
- 4.1.36 it authorises Stifel to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Company) payable on the number of New Ordinary Shares allocated to it under the Placing; and
- 4.1.37 time shall be of the essence as regards its obligations to settle payment for the New Ordinary Shares and to comply with its other obligations under the Placing.

## **5 United States purchase and transfer restrictions**

- 5.1 By participating in the Placing, each Placee located outside the United States acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for New Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Adviser and Stifel that:
  - 5.1.1 it is not a US Person, is not located in the US and it is acquiring the New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Ordinary Shares for the account or benefit of a US Person;
  - 5.1.2 it acknowledges that the New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the US Securities Act;
  - 5.1.3 it acknowledges that the Company has not registered under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act;
  - 5.1.4 if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its New Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles of Association;
  - 5.1.5 it is purchasing the New Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
  - 5.1.6 it acknowledges that the Company reserves the right to make inquiries of any holder of the New Ordinary Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such New Ordinary Shares or interests in accordance with the Articles of Association;

- 5.1.7 it acknowledges and understands that the Company is required to comply with FATCA and CRS and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA and CRS;
- 5.1.8 it is entitled to acquire the New Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the New Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Adviser, Stifel or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing;
- 5.1.9 it has received, carefully read and understands this Securities Note, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Securities Note or any other presentation or offering materials concerning the New Ordinary Shares to within the United States or to any US Persons, nor will it do any of the foregoing; and
- 5.1.10 if it is acquiring any New Ordinary Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- 5.2 By participating in the Placing, each Placee within the United States acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for New Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Adviser and Stifel as to each of paragraphs 5.1.2 – 5.1.10 above and that:
  - 5.2.1 it is acquiring the New Ordinary Shares for the Subscriber's own account, does not have any contract, undertaking or arrangement with any person or entity to sell, transfer or grant a participation with respect to any of the New Ordinary Shares, and is not acquiring the New Ordinary Shares with a view to or for sale in connection with any distribution of the New Ordinary Shares;
  - 5.2.2 it or a purchaser representative, adviser or consultant relied upon by it in reaching a decision to subscribe has such knowledge and experience in financial, tax and business matters as to enable it or such advisor or consultant to evaluate the merits and risks of an investment in the Company and to make an informed investment decision with respect thereto;
  - 5.2.3 it understands and agrees that the New Ordinary Shares (i) will be transferred to it in a transaction that will not be registered under the US Securities Act or under any state law, (ii) have not been and are not being registered for offer or sale by it under the US Securities Act or any state law, and (iii) may not be re-offered or resold except in accordance with the US Securities Act and the rules and regulations thereunder, and all relevant state securities and blue sky laws, rules and regulations; and it understands that the Company has no intention to register the Company or the New Ordinary Shares with the SEC or any state and is under no obligation to assist it in obtaining or complying with any exemption from registration. The Company may require that any transferor furnish a legal opinion satisfactory to the Company and its counsel that the proposed transfer complies with any applicable federal, state and any other applicable securities laws. Appropriate stop transfer instructions may be placed with respect to the New Ordinary Shares and any certificates issued representing the New Ordinary Shares will contain the following legend:

THE NEW ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN

OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN ANOTHER TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF, THE UNITED STATES.

NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE NEW ORDINARY SHARES REPRESENTED HEREBY. THE NEW ORDINARY SHARES REPRESENTED HEREBY ARE “**RESTRICTED SECURITIES**” WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT AND FOR SO LONG AS SUCH NEW ORDINARY SHARES ARE “RESTRICTED SECURITIES”, THEY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

- 5.2.4 in formulating a decision to invest in the Company, it has not relied or acted on the basis of any representations or other information purported to be given on behalf of the Company except as set forth herein (it being understood that no person has been authorised by the Company to furnish any such representations or other information);
- 5.2.5 it recognises that there is currently no public market in the United States for the New Ordinary Shares and that such a market in the United States is not expected to develop; its overall commitment to the Company and other investments which are not readily marketable is not disproportionate to its net worth and it has no need for immediate liquidity in its investment in the New Ordinary Shares;
- 5.2.6 it can afford a complete loss of its investment in the Company and can afford to hold its investment in the Company for an indefinite period of time;
- 5.2.7 if it is not a “natural person,” it has not been and will not be formed or “recapitalised” for the specific purpose of purchasing the New Ordinary Shares and has substantial assets in addition to the funds to be used to purchase the New Ordinary Shares;
- 5.2.8 the New Ordinary Shares have not been offered to it by means of any general solicitation or general advertising or directed selling efforts by the Company or any person acting on its behalf, including without limitation (i) any advertisement, article, notice, or other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, or contained on a website that is not password-protected, or (ii) any seminar or meeting to which it was invited by any general solicitation or general advertising or directed selling efforts;
- 5.2.9 it is a QIB, an Accredited Investor and a Qualified Purchaser;
- 5.2.10 it has been given the opportunity to (A) ask questions of, and receive answers from the Company concerning the terms and conditions of the Placing and other matters pertaining to an investment in the Company and (B) obtain any additional information that the Company can acquire without unreasonable effort or expense as it may require to evaluate the merits and risks of an investment in the Company, and all such questions, to the extent it has considered them material, have been answered;
- 5.2.11 it understands that no United States federal or state agency has passed upon the merits or risks of an investment in the New Ordinary Shares or made any finding or determination concerning the fairness or advisability of this investment; and
- 5.2.12 if all or part of the funds that it is using or will use to acquire New Ordinary Shares are assets of an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”)) subject to Title I of ERISA, or a plan described in Section 4975(e)(1) of the Internal Revenue Code of

1986, as amended (the “**Code**”), or an entity whose underlying assets include plan assets for purposes of ERISA or Section 4975 of the Code by reason of a plan’s investment in the entity (any such plan or entity, a “**Benefit Plan Investor**”):

- 5.2.12.1 (i) its acquisition of New Ordinary Shares is permissible under the documents governing the investment of such plan assets; (ii) it has concluded that the acquisition of New Ordinary Shares is consistent with applicable fiduciary responsibilities under ERISA (including ERISA’s prudence and diversification requirements) and other applicable law, if any; and (iii) its acquisition and the subsequent holding of New Ordinary Shares do not and will not constitute a non-exempt “prohibited transaction” within the meaning of Section 406 of ERISA or Section 4975 of the Code;
- 5.2.12.2 the decision to acquire New Ordinary Shares has been made by a duly authorized fiduciary of the Benefit Plan Investor that (i) is independent (as that term is used in 29 C.F.R. 2510.3-21(c)(1)) of the Company, the Investment Adviser, Stifel and their respective affiliates; (ii) is a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer, or an independent fiduciary that holds, or has under management or control, total assets of at least \$50 million (in each case, as specified in 29 C.F.R. 2510.3-21(c)(1)(i)(A)-(E)); (iii) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including, without limitation, with respect to the decision to acquire New Ordinary Shares); (iv) understands that neither the Company, the Investment Adviser, Stifel nor any of their respective affiliates has or will undertake to provide impartial investment advice, or give advice in a fiduciary capacity, in connection with the acquisition of New Ordinary Shares; (v) understands the existence and nature of the financial interests that the Company, the Investment Adviser, Stifel and their respective affiliates have in the Benefit Plan Investor’s acquisition of New Ordinary Shares, as described in the offering materials; and (vi) is a fiduciary under ERISA or the Code, or both, with respect to the decision to acquire New Ordinary Shares and is responsible for exercising (and has exercised) independent judgment in evaluating whether to invest in New Ordinary Shares; and
- 5.2.12.3 neither the Benefit Plan Investor nor such duly authorized fiduciary of the Benefit Plan Investor is paying the Company, the Investment Adviser, Stifel and or any of their respective affiliates, any fee or other compensation for the provision of investment advice (as opposed to other services) in connection with the Benefit Plan Investor’s acquisition of New Ordinary Shares.

## **6 Supply and disclosure of information**

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

## **7 Miscellaneous**

- 7.1 The rights and remedies of the Company, the Investment Adviser, Stifel and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee’s risk. They may be returned by post to such Placee at the address notified by such Placee.



- 7.3 Each Placee agrees to be bound by the Articles of Association (as amended from time to time) once the New Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for New Ordinary Shares under the Placing and the appointments and authorities mentioned in this Securities Note and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Adviser, Stifel and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 7.4 In the case of a joint agreement to subscribe for New Ordinary Shares under the Placing, references to a “**Placee**” in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 7.5 In relation to any Placees procured by Goodbody Stockbrokers UC (“**Goodbody**”), each Placee:
- 7.5.1 confirms its agreement to Goodbody to subscribe for New Ordinary Shares under the Placing and will be bound by these terms and conditions and will be deemed to have accepted them;
  - 7.5.2 agrees with Goodbody to subscribe for New Ordinary Shares set out in paragraph 2 of this Part II;
  - 7.5.3 represents and warrants to Goodbody on the terms set out in paragraphs 4 and 5 of this Part II;
  - 7.5.4 confirms to Goodbody that it acknowledges that Goodbody has not been involved in the preparation of the Prospectus; and
  - 7.5.5 agrees with Goodbody to be bound by and comply with the obligation under paragraph 6 of this Part II to provide additional information to Goodbody and otherwise to be bound by the remaining terms and conditions set out in this Part II.
- 7.6 Stifel and the Company expressly reserve the right to modify the Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated.



## PART 12

### TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

#### 1 Introduction

- 1.1 These terms and conditions apply to persons agreeing to subscribe for New Ordinary Shares under the Offer for Subscription at a price of 101 pence per New Ordinary Share. The New Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2 Applications to acquire New Ordinary Shares must be made on the Application Form attached at Part 14 to this Securities Note or otherwise published by the Company.
- 1.3 Each person to whom these terms and conditions apply, as described above, who confirms its agreement to Stifel to subscribe for Ordinary Shares (an “**Investor**”) hereby agrees with Stifel, the Company, and the Receiving Agent to be bound by these terms and conditions as being the terms and conditions upon which New Ordinary Shares will be issued and sold under the Offer for Subscription. An Investor shall, without limitation, become so bound if Stifel confirms to the Investor its allocation of New Ordinary Shares, and Stifel so notifies the Registrar on behalf of the Company.

#### 2 Acceptance of your offer

- 2.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional on:
  - 2.1.1 Admission occurring on or prior to 8.00 a.m. on 25 May 2018 (or such later time and/or date as the Company and Stifel may agree, being not later than 8.00 a.m. on 15 June 2018);
  - 2.1.2 the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before Admission; and
  - 2.1.3 the Minimum Proceeds being raised (or such lesser amount as the Company and Stifel may determine and notify to investors via an RIS announcement and a supplementary prospectus).
- 2.2 To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not exercise any remedy of rescission, termination or withdrawal at any time after acceptance. This does not affect any other rights such Investor may have.

#### 3 Payment for New Ordinary Shares

- 3.1 Each Investor undertakes to pay the Issue Price in full for the New Ordinary Shares issued under the Offer for Subscription to such Investor in such manner as shall be directed by Stifel. Liability for stamp duty and SDRT is described in the section entitled “**Stamp Duty and Stamp Duty Reserve Tax**” contained in paragraph 2.7 of Part 9 (“**Taxation**”) of this Securities Note.
- 3.2 In the event of any failure by any Investor to pay as so directed by Stifel, the relevant Investor shall be deemed hereby to have appointed the Investment Adviser or any nominee thereof to sell (in one or more transactions) any or all of the New Ordinary Shares in respect of which payment shall not have been made as directed by the Investment Adviser and to have agreed to indemnify on demand the Investment Adviser in respect of any liability for stamp duty and/or SDRT arising in respect of any such sale or sales.
- 3.3 To ensure compliance with the Money Laundering Regulations, the Company (or any of its agents) may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment. If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Company (or any of its agents). Failure to provide the necessary evidence of identity within a reasonable time may result in delays or applications being rejected.

- 3.4 The person lodging the Application Form with payment and in accordance with the other terms as described above, including any person who appears to the Company (or any of its agents) to be acting on behalf of some other person, accepts the Offer for Subscription in respect of such number of offered New Ordinary Shares as is referred to therein and shall thereby be deemed to agree to provide the Company (or any of its agents) with such information and other evidence as the Company (or any of its agents) may require to satisfy the verification of identity requirements.
- 3.5 Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Administrator and the Receiving Agent from the Applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:
- 3.5.1 if the Applicant is an organisation required to comply with the Money Laundering Directive (2015/849 of the European Parliament and of the EC Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing); or
  - 3.5.2 if the Applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
  - 3.5.3 if the aggregate subscription price for the offered Ordinary Shares is less than €15,000 (approximately £13,000).
- 3.6 If the Application Form(s) is/are in respect of New Ordinary Shares with an aggregate subscription price of more than €15,000 (approximately £13,000) and is/are lodged by hand by the Applicant in person, or if the Application Form(s) in respect of New Ordinary Shares is/are lodged by hand by the Applicant and the accompanying payment is not the Applicant's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.
- 3.7 If, within a reasonable period of time following a request for verification of identity, and in any case by 11.00 a.m. on 15 June 2018, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, as agent of the Company and upon instruction from the Company, reject the relevant Application, in which event the monies submitted in respect of that Application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).
- 3.8 All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or a building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by those companies or committees: cheques and banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to **"Link Market Services Ltd Re: Supermarket Income REIT plc – 2018 OFS A/C"** in respect of an Application and crossed "A/C Payee Only". Cheques should be for the full amount payable on Application. Post-dated cheques and payment via CHAPS, BACS or electronic transfer will not be accepted.
- 3.9 Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form.
- 3.10 The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above):

- 3.10.1 Applicants should make payment by a cheque drawn on an account in their own name from a UK bank account and write their name and address on the back of the banker's draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above; and
- 3.10.2 if an Applicant makes the Application as agent for one or more persons, he should indicate on the Application Form whether he is a UK or EU-regulated person or institution (for example a bank or stockbroker) and specify his status. If an Applicant is not a UK or EU-regulated person or institution, he should contact the Receiving Agent.

#### **4 Representations and warranties**

- 4.1 By completing an Application Form, each Investor and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation, is deemed to represent and warrant to the Company that:
- 4.1.1 it will offer to subscribe for the number of New Ordinary Shares specified in your Application Form (or such lesser number for which your Application is accepted) on the terms of and subject to this Securities Note (and any supplementary prospectus published by the Company), including these terms and conditions, and subject to the Articles of Association;
- 4.1.2 in consideration of the Company agreeing to process your Application, your Application cannot be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand during normal business hours only) on receipt by, the Receiving Agent of your Application Form;
- 4.1.3 your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the New Ordinary Shares until you make payment in cleared funds for the New Ordinary Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent, against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such New Ordinary Shares and may issue or allot such New Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such New Ordinary Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- 4.1.4 (i) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations and (ii) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
- 4.1.5 you undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
- 4.1.6 in respect of those New Ordinary Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;
- 4.1.7 you authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in respect of such New Ordinary Shares and to send a crossed

cheque for any monies returnable by post without interest, at the risk of the persons entitled thereto, to the address of the person (or in the case of joint holders the first-named person) named as an Applicant in the Application Form;

- 4.1.8 you acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Securities Note (and any supplementary prospectus published by the Company) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Receiving Agent, or any of their affiliates or any other person;
- 4.1.9 if you sign the 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 or corporation, and such person or corporation will also be bound accordingly and will be deemed to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney, or a copy thereof duly certified by a solicitor or bank, with the Application Form;
- 4.1.10 all Applications, acceptances of Applications and contracts resulting from such acceptances shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 4.1.11 in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in this Securities Note and any supplementary prospectus and, accordingly, you agree that no person (responsible solely or jointly for this Securities Note or any part thereof or involved in the preparation thereof) shall have any liability for any such information or representation;
- 4.1.12 your Application is made solely on the terms of this Securities Note (and any supplementary prospectus published by the Company) and subject to the Articles of Association;
- 4.1.13 you irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any New Ordinary Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such New Ordinary Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- 4.1.14 having had the opportunity to read this Securities Note, you shall be deemed to have had notice of all information and representations concerning the Company and the New Ordinary Shares contained therein;
- 4.1.15 you have reviewed the restrictions contained in these terms and conditions;
- 4.1.16 if you are an individual, you are not under the age of 18;
- 4.1.17 all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- 4.1.18 in connection with your Application you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company or any person responsible solely or jointly for the prospectus or any part of its or involved in the preparation thereof acting in breach of the regulatory or legal requirements of any territory (including in particular FSMA) in connection with the Offer for Subscription or your Application;
- 4.1.19 save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, you are not a resident of the United States, Australia, Canada, the Republic of South Africa or Japan;

- 4.1.20 on request by the Company or the Receiving Agent on behalf of the Company, to disclose promptly in writing to the Company or the Receiving Agent any information which the Company or the Receiving Agent may reasonably request in connection with your Application, and authorise the Company or the Receiving Agent on behalf of the Company to disclose any information relating to your Application as it considers appropriate;
- 4.1.21 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Ordinary Shares under the Offer for Subscription, it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Adviser, Stifel or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Offer for Subscription;
- 4.1.22 it acknowledges that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Securities Note (and any supplementary prospectus published by the Company) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Adviser or Stifel;
- 4.1.23 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.1.24 if it is outside the United Kingdom, neither this Securities Note nor any other offering, marketing or other material in connection with the Offer for Subscription constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Ordinary Shares pursuant to the Offer for Subscription unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.1.25 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.1.26 it has complied and will comply with all applicable provisions of the Criminal Justice Act 1993 and the Market Abuse Regulation with respect to anything done by it in relation to the Placing and/or the New Ordinary Shares;
- 4.1.27 it accepts that if the Offer for Subscription does not proceed or the conditions to the Placing Agreement are not satisfied or the New Ordinary Shares for which valid applications are received and accepted are not admitted to listing and/or trading on the SFS for any reason whatsoever then neither Stifel, nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.1.28 it acknowledges and agrees that information provided by it to the Company, Stifel or the Registrar will be stored both on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Act 1998 (the "**DP Act**") and other relevant data protection legislation which may be applicable, the Registrar is required to specify the purposes for which it will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:



- 4.1.28.1 process its personal data (including sensitive personal data) as required by or in connection with its holding of New Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
- 4.1.28.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of New Ordinary Shares;
- 4.1.28.3 provide personal data to such third parties as the Registrar or the Administrator may consider necessary in connection with its affairs and generally in connection with its holding of New Ordinary Shares or as the DP Act may require, including to third parties outside the EEA;
- 4.1.28.4 without limitation, provide such personal data to the Company or the Investment Adviser and each of their respective associates for processing, notwithstanding that any such party may be outside the EEA; and
- 4.1.28.5 process its personal data for the Registrar's or the Administrator's internal administration;
- 4.1.29 in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subject to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph (4.1.28) above). For the purposes of this Securities Note, "**data subject**", "**personal data**" and "**sensitive personal data**" shall have the meanings attributed to them in the DP Act;
- 4.1.30 Stifel and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.1.31 the representations, undertakings and warranties contained in this Securities Note are irrevocable. It acknowledges that Stifel and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the New Ordinary Shares are no longer accurate, it shall promptly notify Stifel and the Company;
- 4.1.32 it irrevocably authorises the Company, or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any of the New Ordinary Shares subscribed for by or issued to you in your name and authorise any representatives of the Company and/or Receiving Agent to execute any documents required thereby and to enter your name on the register of members of the Company; and
- 4.1.33 you are not subscribing for the New Ordinary Shares having a loan which would not have been given to you or any associate, or not given to you on such favourable terms, if you had not been proposing to subscribe for the New Ordinary Shares.
- 4.2 If you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the 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 Securities Note or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statements therein not misleading.
- 4.3 No person receiving a copy of this Securities Note or supplementary prospectus issued by the Company and/or an Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Application Form could lawfully be used without contravention of any, or



compliance with, any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for New Ordinary Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such Application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.

- 4.4 The New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons. The Company has not been and will not be registered as an “**investment company**” under the US Investment Company Act, and investors will not be entitled to the benefits of the US Investment Company Act. In addition, relevant clearances have not been, and will not be, obtained from the securities commission (or equivalent) of any province of the United States, Australia, Canada, the Republic of South Africa or Japan and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the New Ordinary Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in the United States, Australia, Canada, the Republic of South Africa or Japan. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company that you are not a US Person or a resident of the United States, Australia, Canada, the Republic of South Africa or Japan and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of the United States, Australia, Canada, the Republic of South Africa or Japan and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, Ordinary Shares subscribed for by you in the United States, Australia, Canada, the Republic of South Africa or Japan or to any US Person or resident of the United States, Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States, Australia, Canada, the Republic of South Africa or Japan unless an appropriate exemption is available as referred to above.
- 4.5 The basis of allocation will be determined by Stifel (following consultation with the Company and the Investment Adviser), in its absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or allot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Application Form, including if the accompanying cheque or banker’s draft is for the wrong amount.

## **5 United States purchase and transfer restrictions**

- 5.1 Each subscriber of New Ordinary Shares in the Initial Issue and each subsequent investor in the New Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:
- 5.1.1 it is not a US Person, is not located within the United States and is not acquiring the New Ordinary Shares for the account or benefit of a US Person;
  - 5.1.2 it is acquiring the New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
  - 5.1.3 it acknowledges that the New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the US Securities Act;
  - 5.1.4 it acknowledges that the Company has not been registered under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act;
  - 5.1.5 if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the New Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under

circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles of Association;

- 5.1.6 it is purchasing the New Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
- 5.1.7 it acknowledges that the Company reserves the right to make inquiries of any holder of the New Ordinary Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such New Ordinary Shares or interests in accordance with the Articles of Association;
- 5.1.8 it acknowledges and understands that the Company is required to comply with FATCA and CRS and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA and CRS;
- 5.1.9 it is entitled to acquire the New Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the New Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Adviser or Stifel, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Initial Issue or its acceptance of participation in the Initial Issue;
- 5.1.10 it has received, carefully read and understands this Securities Note, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Securities Note or any other presentation or offering materials concerning the New Ordinary Shares to within the United States or to any US Persons, nor will it do any of the foregoing;
- 5.1.11 if it is acquiring any New Ordinary Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account;
- 5.1.12 the Company, the AIFM, the Investment Adviser, Stifel, the Administrator and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.
- 5.1.13 if all or part of the funds that it is using or will use to acquire New Ordinary Shares are assets of an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) subject to Title I of ERISA, or a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or an entity whose underlying assets include plan assets for purposes of ERISA or Section 4975 of the Code by reason of a plan's investment in the entity (any such plan or entity, a "**Benefit Plan Investor**"):
  - 5.1.13.1 (i) its acquisition of New Ordinary Shares is permissible under the documents governing the investment of such plan assets; (ii) it has concluded that the acquisition of New Ordinary Shares is consistent with applicable fiduciary responsibilities under ERISA (including ERISA's prudence and diversification requirements) and other applicable law, if any; and (iii) its acquisition and the subsequent holding of New Ordinary

Shares do not and will not constitute a non-exempt “prohibited transaction” within the meaning of Section 406 of ERISA or Section 4975 of the Code;

- 5.1.13.2 the decision to acquire New Ordinary Shares has been made by a duly authorized fiduciary of the Benefit Plan Investor that (i) is independent (as that term is used in 29 C.F.R. 2510.3-21(c)(1)) of the Company, the Investment Adviser, Stifel and their respective affiliates; (ii) is a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer, or an independent fiduciary that holds, or has under management or control, total assets of at least \$50 million (in each case, as specified in 29 C.F.R. 2510.3-21(c)(1)(i)(A)-(E)); (iii) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including, without limitation, with respect to the decision to acquire New Ordinary Shares); (iv) understands that neither the Company, the Investment Adviser, Stifel nor any of their respective affiliates has or will undertake to provide impartial investment advice, or give advice in a fiduciary capacity, in connection with the acquisition of New Ordinary Shares; (v) understands the existence and nature of the financial interests that the Company, the Investment Adviser, Stifel and their respective affiliates have in the Benefit Plan Investor’s acquisition of New Ordinary Shares, as described in the offering materials; and (vi) is a fiduciary under ERISA or the Code, or both, with respect to the decision to acquire New Ordinary Shares and is responsible for exercising (and has exercised) independent judgment in evaluating whether to invest in New Ordinary Shares; and
- 5.1.13.3 neither the Benefit Plan Investor nor such duly authorized fiduciary of the Benefit Plan Investor is paying the Company, the Investment Adviser, Stifel and or any of their respective affiliates, any fee or other compensation for the provision of investment advice (as opposed to other services) in connection with the Benefit Plan Investor’s acquisition of New Ordinary Shares.

- 5.2 The Company, the Investment Adviser, Stifel, the Registrar and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

## **6 Tax Residency Self-Certification**

- 6.1 In addition to completing and returning the Application Form to the Receiving Agent, you will also need to complete and return a Tax Residency Self Certification Form. The “tax residency self-certification” form can be found at the end of this Securities Note and further copies of this form and the relevant form for joint holdings or Corporate Entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- 6.2 It is a condition of application that (where applicable) a completed version of that form is provided with the Application Form before any application can be accepted.

## PART 13

### TERMS AND CONDITIONS OF THE SHARE ISSUANCE PROGRAMME

#### 1 Introduction

These terms and conditions apply to persons making an offer to subscribe for Ordinary Shares under the Share Issuance Programme (which may include Stifel or its nominees).

Each person to whom these conditions apply, as described above, who confirms its agreement to the Company or Stifel to subscribe for Ordinary Shares under the Share Issuance Programme hereby agrees with Stifel and the Company to be bound by these terms and conditions as being the terms and conditions upon which Ordinary Shares will be subscribed under the Share Issuance Programme. An investor shall, without limitation, become so bound if the Company or Stifel confirms to the investor its allocation.

Under the Share Issuance Programme, the Company is proposing to issue up to 150 million Ordinary Shares (less any New Ordinary Shares issued pursuant to the Initial Issue) in Tranches. Each Tranche will comprise a placing on similar terms to the Placing and may, at the discretion of the Company in consultation with Stifel comprise an open offer and/or an offer for subscription component on similar terms to the Offer for Subscription.

The Share Issuance Programme is being implemented in order to provide funding to enable the Company to make investments in accordance with, and/or to fulfil the investment objectives contained in, its Investment Policy.

The total net proceeds of the Share Issuance Programme will depend on the number of Ordinary Shares issued throughout the Share Issuance Programme, the issue price of such Ordinary Shares, and the aggregate costs and commissions for each Tranche.

The size, pricing 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 Stifel.

#### 2 Terms of the Share Issuance Programme

The Share Issuance Programme will open on 25 April 2018 and it is anticipated that there will be a separate closing for each Tranche such that Ordinary Shares will be allotted on such dates as are determined by the Directors until the earliest to occur of: (a) the first anniversary of the date of the Registration Document; (b) the date on which an aggregate of 150 million Ordinary Shares have been admitted to trading on the Specialist Fund Segment pursuant to the Initial Issue and the Share Issuance Programme; and (c) such other date as may be agreed between Stifel and the Company. Issuances may take place at any time prior to the final closing date as set out above. In relation to a Tranche, a new securities note and new summary will, to the extent necessary, be published and an announcement will be released through a Regulatory Information Service, including details of the number of Ordinary Shares allotted and the applicable issuance price.

The issue of Ordinary Shares under Share Issuance Programme is not being underwritten and, as at the date of this Securities Note, the actual number of Ordinary Shares to be issued under the Share Issuance Programme is not known. The number of Ordinary Shares available under the Share Issuance Programme should not be taken as an indication of the number of Ordinary Shares finally to be issued.

Ordinary Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with the existing Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

The issuance of each Tranche of Ordinary Shares pursuant to the Share Issuance Programme is conditional upon, *inter alia*:

- (a) admission of the Ordinary Shares issued pursuant to such Tranche;
- (b) the Placing Agreement having become unconditional in respect of the relevant Tranche and not having been terminated in accordance with its terms before the relevant admission;

- (c) the disapplication of pre-emption rights in connection with the Share Issuance Programme by Shareholders at the General Meeting to be held on 21 May 2018 (or at any adjournment thereof); and
- (d) in relation to non-pre-emptive offerings, the issue price being not less than the then current Net Asset Value per Ordinary Share.

In circumstances in which these conditions are not fully met, the relevant issue of Ordinary Shares pursuant to the Share Issuance Programme will not take place.

The Share Issuance Programme will be suspended at any time when the Company is unable to issue Ordinary Shares pursuant to the Share Issuance Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

The total number of Ordinary Shares issued in any Tranche will be determined at the discretion of the Directors in consultation with Stifel and the Investment Adviser after taking into account demand for the Ordinary Shares and prevailing economic and market conditions.

Ordinary Shares issued in any Tranche may be held in certificated form or in uncertificated form. Assuming the conditions of a Tranche are met and admission occurs, all Ordinary Shares will be admitted to the Specialist Fund Segment and to trading on the London Stock Exchange's main market for listed securities regardless of whether they are held in certificated form or in uncertificated form.

### **3 The Share Issuance Programme Timetable**

The Share Issuance Programme will open on 25 May 2018 and will close on the earliest to occur of: (a) the first anniversary of the date of the Registration Document; (b) the date on which an aggregate of 150 million Ordinary Shares have been admitted to trading on the Specialist Fund Segment pursuant to the Initial Issue and the Share Issuance Programme; and (c) such other date as may be agreed between Stifel and the Company. No Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share. Notification of any extension will be via a Regulatory Information Service announcement.

Allotment and issuances may take place at any time prior to the final closing date of the first anniversary of the date of the Registration Document. An announcement of each allotment and issue will be released through a Regulatory Information Service, including details of the number of Ordinary Shares allotted and issued and the applicable issue price for the allotment and issue.

### **4 The issue price and issue costs**

It is intended that the price at which Ordinary Shares are issued on a non-pre-emptive basis under the Share Issuance Programme will always represent a premium to the prevailing Net Asset Value per Ordinary Share.

### **5 General information relating to the Share Issuance Programme**

The Company, the Investment Adviser and Stifel have entered into the Placing Agreement, pursuant to which Stifel has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Ordinary Shares made available under the Share Issuance Programme.

Applications under each Tranche will, depending upon whether the application is in respect of a placing, open offer or offer for subscription component of a Tranche, be on the terms and conditions set out in Part 11 ("**Terms and conditions of the Placing**") and/or Part 12 ("**Terms and conditions of the Offer for Subscription**") of this Securities Note, or on terms applicable to an open offer, as applicable, as modified by any relevant supplementary prospectus or securities note applicable to the relevant Tranche.

The basis of allocation under each Tranche shall be determined by the Directors in consultation with Stifel. The Directors in consultation with Stifel may scale back subscriptions at their discretion and, in any event, will scale back subscriptions at their discretion if subscriptions under the Share Issuance Programme exceed the maximum number of Ordinary Shares available under the Share Issuance Programme.

To the extent that any application for subscription is rejected in whole or in part, or the Directors determine in their absolute discretion that any placing should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

Subject to those matters on which each tranche is conditional, the Directors, in consultation with the Joint Financial Advisers may postpone the closing date for such Tranche.



## PART 14

### OFFER FOR SUBSCRIPTION APPLICATION FORM

**Important:** before completing this form, you should read the accompanying notes.

**To:** Link Asset Services  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

#### 1 Application

I/We the person(s) detailed in section 3 below offer to subscribe for the number of New Ordinary Shares shown in Box 1 subject to the Terms and Conditions set out in Part 12 of the Securities Note dated 25 April 2018 and subject to the Memorandum and Articles of Association of the Company.

**Box 1** (minimum subscription of 1,000 New Ordinary Shares and then in multiples of 1,000 New Ordinary Shares thereafter).

#### 2 Amount payable

**Box 2** (the number in Box 1 multiplied by the Issue Price, being 101 pence per New Ordinary Share).

Payment Method: ☐ Cheque ☐ CREST Settlement ("DVP") ☐ CHAPS  
(tick appropriate box)

#### 3 Details of Holder(s) in whose name(s) Ordinary Shares will be issued (BLOCK CAPITALS)

|                        |                       |
|------------------------|-----------------------|
| Mr, Mrs, Miss or Title | Forenames (in full)   |
| Surname/Company Name   |                       |
| Address (in full)      |                       |
| Date of birth          |                       |
| Designation (if any)   | Daytime telephone no. |

|                        |                       |
|------------------------|-----------------------|
| Mr, Mrs, Miss or Title | Forenames (in full)   |
| Surname/Company Name   |                       |
| Address (in full)      |                       |
| Date of birth          |                       |
| Designation (if any)   | Daytime telephone no. |

|                        |                       |
|------------------------|-----------------------|
| Mr, Mrs, Miss or Title | Forenames (in full)   |
| Surname/Company Name   |                       |
| Address (in full)      |                       |
| Date of birth          |                       |
| Designation (if any)   | Daytime telephone no. |

#### 4 CREST details

(Only complete this section if New Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 3).

CREST Participant ID: 

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|--|--|--|--|--|

CREST Member Account ID: 

|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|

#### 5 Signature(s) all holders must sign

Execution by individuals:

|                            |  |      |  |
|----------------------------|--|------|--|
| First Applicant Signature  |  | Date |  |
| Second Applicant Signature |  | Date |  |
| Third Applicant Signature  |  | Date |  |
| Fourth Applicant Signature |  | Date |  |

Execution by a company:

|   |  |            |                          |      |
|---|--|------------|--------------------------|------|
| Executed by (Name of Company):                                |  |            | Date                     |      |
| Name of Director:   |  | Signature: |                          | Date |
| Name of Director/Secretary:                                   |  | Signature: |                          | Date |
| If you are affixing a company seal, please mark a cross here: |  |            | Affix Company Seal here: |      |

## 6 Settlement details

### (a) *Cheque/Banker's Draft*

If you are subscribing for New Ordinary Shares and paying by cheque or banker's draft pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 2 made payable to **"Link Market Services Ltd Re: Supermarket Income REIT plc – 2018 OFS A/C"**. Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man and must bear the appropriate sort code in the top right hand corner.

### (b) *CREST Settlement ("DVP")*

If you so choose to settle your application within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of New Ordinary Shares to be made against payment of the Issue Price, following the CREST matching criteria set out below:

Trade date: 23 May 2018

Settlement date: 25 May 2018

Company: Supermarket Income REIT plc

Security description: ORD GBP0.01

SEDOL: BF345X1

ISIN: GB00BF345X11

Should you wish to settle DVP, you will need to input your instructions to Link Asset Services' Participant account RA06 by no later than 11.00 a.m. on 25 May 2018.

Applicants wishing to settle DVP will still need to complete and submit a valid Application Form to be received by no later than 11.00 a.m. on 21 May 2018. You should tick the relevant box in section 2.

Applicants will also need to ensure that their settlement instructions have been input to Link Asset Services' Participant account (RA06) by no later than 11.00 a.m. on 25 May 2018. Note: Link Asset Services will not take any action until a valid DEL message has been received by the Participant account by the applicant.

No acknowledgement of receipt or input will be provided.

Applicants should also ensure that their settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to their usual daily trading and settlement requirements.

In the event of late/non settlement the company reserves the right to deliver shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the company and all other conditions of the Initial Issue have been satisfied.

### (c) *CHAPS*

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11.00am on 21 May 2018 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example, MJ SMITH 01234 567 8910

Bank: Royal Bank of Scotland

Sort Code: 15-10-00

A/C No: 32675487

A/C Name: Link Market Services Ltd re: Supermarket Income REIT plc 2018 CHAPS a/c

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying application form.

## 7 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 8 of the notes on how to complete this Application Form.

The declaration below may only be signed by a person or institution (being a regulated financial services firm) (the “**firm**”) which is itself subject in its own country to operation of “customer due diligence” and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Portugal, Slovenia, Spain, Sweden and the UK.

### 7.1 Declaration: To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 3, all persons signing at section 5 and the payor if not also the Applicant (together the “**subjects**”) WE HEREBY DECLARE:

- a) we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom;
- b) we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- c) 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;
- d) we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 3 and if a CREST Account is cited at section 4 that the owner thereof is named in section 3;
- e) 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 Ordinary Shares mentioned; and
- f) 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: .....

having authority to bind the firm: .....

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

## 8 Contact details

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. Ordinarily this contact person should be the (or one of the) person(s) signing in section 5 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

|              |                |
|--------------|----------------|
| Contact Name | E-mail address |
| Address      |                |
| Telephone No | Fax No         |

## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

**Applications should be returned so as to be received by Link Asset Services no later than 11.00 a.m. on 21 May 2018.**

In addition to completing and returning the Application Form to Link Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The “individual tax residency self-certification – sole holding” form can be found at the end of this document. Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. **It is a condition of application that (where applicable) a completed version of the Tax Residency Self Certification Form is provided with the Application Form before any application can be accepted.**

**HELPLINE:** If you have a query concerning the completion of this Application Form, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### 1 Application

Fill in (in figures) in Box 1 the number of New Ordinary Shares being subscribed for. The number being subscribed for must be a minimum of 1,000 New Ordinary Shares and then in multiples of 1,000 New Ordinary Shares thereafter. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

### 2 Amount payable

Fill in (in figures) the total amount payable for the New Ordinary Shares for which your application is made which is the number inserted in Box 1 of the Application Form, multiplied by the Issue Price, being 101 pence per New Ordinary Share. You should also mark in the relevant box to confirm your payment method, i.e. cheque, banker's draft, settlement via CREST (“**DVP**”) or by CHAPS.

### 3 Holder details

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 5.

### 4 CREST

If you wish your New Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 3, enter in section 4 the details of that CREST account. Where it is requested that New Ordinary Shares be deposited into a CREST account please note that payment for such New Ordinary Shares must be made prior to the day such New Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that New Ordinary Shares be deposited in their CREST account on an against payment basis. Any Application Form received containing such a request will be rejected.

### 5 Signature

All holders named in section 3 must sign section 5 and insert the date. 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.

## **6 Settlement details**

### **(a) Cheque/Banker's draft**

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in Box 2 of the Application Form. Your cheque or banker's draft must be made payable to "**Link Market Services Ltd Re: Supermarket Income REIT plc – 2018 OFS A/C**" in respect of an Application and crossed "**A/C Payee Only**". Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker's drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted, with the exception of building society cheques or banker's drafts where the building society or bank has inserted on the back of the cheque the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity.

### **(b) CREST settlement**

The Company will apply for the New Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the "**Relevant Settlement Date**"). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Application Form contains details of the information which the Company's Receiving Agent, Link Asset Services, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Link Asset Services to match to your CREST account, Link Asset Services will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your New Ordinary Shares in certificated form should the Company, having consulted with Link Asset Services, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Link Asset Services in connection with CREST.

The person named for registration purposes in your Application Form must be: (a) the person procured by you to subscribe for or acquire the New Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Link Asset Services nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the delivery versus payment ("**DVP**") instructions into the CREST system in accordance with your application. The input returned by Link Asset Services of a matching or acceptance instruction to our CREST input will then allow the delivery of your New Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of New Ordinary Shares to be made prior to 11.00 a.m. on 21 May 2018 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by Link Asset Services.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date: 23 May 2018

Settlement Date: 25 May 2018

Company: Supermarket Income REIT plc

Security Description: ORD GBP0.01

SEDOL: BF345X1

ISIN: GB00BF345X11

Should you wish to settle DVP, you will need to input your instructions to Link Asset Services' Participant account RA06 by no later than 11.00 a.m. on 25 May 2018.

Applicants wishing to settle DVP will still need to complete and submit a valid Application Form to be received by no later than 11.00 a.m. on 21 May 2018. You should tick the relevant box in section 2.

Applicants will also need to ensure that their settlement instructions have been input to Link Asset Services' Participant account (RA06) by no later than 11.00 a.m. on 25 May 2018. Note: Link Asset Services will not take any action until a valid DEL message has been received by the Participant account by the applicant.

No acknowledgement of receipt or input will be provided.

Applicants should also ensure that their settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to their usual daily trading and settlement requirements.

In the event of late/non settlement the company reserves the right to deliver shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the company and all other conditions of the Offer have been satisfied.

In the event of late CREST settlement, the Company, after having consulted with Link Asset Services, reserves the right to deliver Ordinary Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer for Subscription have been satisfied.

#### *(c) CHAPS*

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00am on 21 May 2018 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example, MJ SMITH 01234 567 8910

Bank: Royal Bank of Scotland

Sort Code: 15-10-00

A/C No: 32675487

A/C Name: Link Market Services Ltd re: Supermarket Income REIT plc 2018 CHAPS a/c

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying application form.

## **7 Reliable introducer declaration**

Applications with a value greater than €15,000 (approximately £13,000) will be subject to verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided at section 7 of the Application Form given and signed by a firm acceptable to the Company (or any of its agents). In order to ensure your Application is processed in a timely and efficient manner all Applicants are strongly advised to have the declaration provided in section 7 of the Application Form completed and signed by a suitable firm.

If the declaration in section 7 cannot be completed and the value of the application is greater than €15,000 (approximately £13,000) the documents listed below must be provided with the completed Application Form, as appropriate, in accordance with internationally recognised standards for the

prevention of money laundering. Notwithstanding that the declaration in section 7 has been completed and signed, the Company (or any of its agents) reserves the right to request of you the identity documents listed below 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 may be rejected or revoked. Where certified copies of documents are requested below, 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.

**8 For each holder being an individual enclose:**

- 8.1 a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: current passport, government or Armed Forces identity card, or driving licence; and
- 8.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 3A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council rates bill or similar document issued by a recognised authority; and
- 8.3 if none of the above documents show the Applicant's date and place of birth, enclose a note of such information; and
- 8.4 details of the name and address of the Applicant's personal bankers from which the Company (or any of its agents) may request a reference, if necessary.

**9 For each holder being a company (a "holder company") enclose:**

- 9.1 a certified copy of the certificate of incorporation of the holder company; and
- 9.2 the name and address of the holder company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- 9.3 a statement as to the nature of the holder company's business, signed by a director; and
- 9.4 a list of the names and residential addresses of each director of the holder company; and
- 9.5 for each director provide documents and information similar to that mentioned in 8 above; and
- 9.6 a copy of the authorised signatory list for the holder company; and
- 9.7 a list of the names and residential/registered address of each ultimate beneficial owner interested in more than three per cent. of the issued share capital of the holder company and, where a person is named, also complete 10 below and, if another company is named (hereinafter a "**beneficiary company**"), also complete 11 below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

**10 For each person named in 9.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 9.1 to 9.4.**

**11 For each beneficiary company named in 9.7 as a beneficial owner of a holder company enclose:**

- 11.1 a certified copy of the certificate of incorporation of that beneficiary company; and
- 11.2 statement as to the nature of that beneficiary company's business signed by a director; and
- 11.3 the name and address of that beneficiary company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- 11.4 enclose a list of the names and residential/registered address of each beneficial owner owning more than five per cent. of the issued share capital of that beneficiary company.

The Company (or any of its agents) reserves the right to ask for additional documents and information.

## **12 Contact details**

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Company (or any of its agents) may contact with all enquiries concerning your Application. Ordinarily this contact person should be the person signing in section 5 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

**PART 15**

**TAX RESIDENCY SELF-CERTIFICATION FORM**

|  |                             |   |                          |
|--|-----------------------------|---|--------------------------|
| Name of Company in which shares are held:  | SUPERMARKET INCOME REIT PLC |   |                          |
| <b>Part 1 – Identification of Individual Shareholder</b><br><i>A separate form is required for each holder</i>   |                             |   |                          |
| Name of Holder:  |                             |   |                          |
| Address of Holder:   |                             |   |                          |
| <b>A. Please provide your Tax Residence Address – If different from above</b>  |                             |   |                          |
| Address:<br><i>Include your Postal or ZIP Code &amp; Country:</i>  |                             |   |                          |
| <b>B. Date of Birth</b><br>(DD/MM/YYYY)  |                             |   |                          |
| <b>Part 2 – Country/Countries of Residence for Tax Purposes</b>  |                             |   |                          |
| <b>Country of residence for tax purposes</b>   |                             | <b>Tax Identification Number</b><br><i>In the UK this would be your NI number</i> |                          |
| 1  |                             | 1   |                          |
| 2  |                             | 2   |                          |
| 3  |                             | 3   |                          |
| 4  |                             | 4   |                          |
| <b>Part 2b – US Person</b>   |                             |   |                          |
| Please mark the box ONLY if you are a US Person (see Definitions)  |                             |   | <input type="checkbox"/> |
| <b>Part 3 – Declarations and Signature</b>   |                             |   |                          |
| <p>I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.</p> <p>I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.</p> <p>I certify that I am the shareholder (or am authorised to sign for the shareholder).</p> <p>If this relates to a joint holding: I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.</p> <p>I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.</p> |                             |   |                          |
| <b>Signature:</b>  |                             |   |                          |
| <b>Print Name:</b>   |                             |   |                          |
| <b>Date:</b>   |                             |   |                          |
| <b>Daytime telephone number / email address</b>  |                             |   |                          |

*If signing under a power of attorney, please also attach a certified copy of the power of attorney. We will only contact you if there is a question around the completion of the self-certification form.*

## Introduction

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including their tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your address (or name) has changed from that shown on the form, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances

## Joint Holders (if relevant)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for that/those joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

**If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.**

## Definitions

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

### "Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Capita holds the shares on your behalf, the person whose name appears on the register of entitlement that Capita maintains.

### "Country / Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a tax identification number (TIN). Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

### "Tax Identification Number or TIN"

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some



jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

**“US Person”**

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.
- You are a ‘tax resident’ of the United States. You can become a tax resident under two rules: 1) The ‘substantial presence test’. This is a ‘day count test and based on the number of days you are in the US over a three year period and 2) The ‘green card’ test. A person who has obtained a ‘green card’ has been granted the right to lawful permanent residence in the United States.

**If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.**

**NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.**

## PART 16

### GLOSSARY OF TERMS AND DEFINITIONS

The following terms apply throughout this Securities Note unless the context otherwise requires

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| “Admission”                                  | the admission of the New Ordinary Shares to trading on the SFS becoming effective in accordance with, respectively, the Admission and Disclosure Standards;  |
| “Admission and Disclosure Standards”         | the requirements contained in the publication “Admission and Disclosure Standards” issued by the London Stock Exchange (as amended from time to time) containing, <i>inter alia</i> , the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s market for listed securities; |
| “Application Form”                           | the application form in respect of the Offer for Subscription attached at Part 14 of this Securities Note;   |
| “Articles of Association” or “Articles”      | the articles of association of the Company adopted with effect from 21 July 2017;  |
| “Board”                                      | the board of directors of the Company;   |
| “certificated” or “in certificated form”     | not in uncertificated form;  |
| “Chairman”                                   | the chairman of the Company;   |
| “Code”                                       | US Internal Revenue Code of 1986, as amended;  |
| “Company”                                    | Supermarket Income REIT plc (with registered number 10799126) whose registered office is at 7th Floor, 9 Berkeley Street, London W1J 8DW or any wholly-owned (direct or indirect) subsidiary of the Company;   |
| “Companies Act”                              | the Companies Act 2006, as amended;  |
| “CREST”                                      | the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (also as defined in the CREST Regulations);  |
| “CREST Regulations”                          | the Uncertificated Securities Regulations 2001 (SI 2001/3755);   |
| “Directors”                                  | the directors of the Company whose names are set out in Part 3 of this Securities Note (each a “Director”);  |
| “Disclosure Guidance and Transparency Rules” | the disclosure rules and transparency rules made by the FCA pursuant to Part VI of FSMA, as amended from time to time;   |
| “EBT”  | the Company’s employee benefit trust;  |
| “EEA”  | the European Economic Area;  |
| “Euroclear”                                  | Euroclear UK & Ireland Limited, a company registered in England and Wales under registered number 02878738;  |
| “Exchange Act”                               | the US Securities Exchange Act of 1934, as amended;  |
| “Existing Ordinary Shares”                   | the existing Ordinary Shares in issue at the Record Time;  |
| “FATCA”                                      | the US Foreign Account Tax Compliance Act of 2010;   |
| “FCA”  | the UK Financial Conduct Authority (or any successor regulatory organisation);   |
| “FRC”  | UK Financial Reporting Council;  |
| “FSMA”                                       | the Financial Services and Markets Act 2000, as amended;   |
| “Future Securities Note”                     | a securities note to be issued in the future by the Company in respect of each issue, if any, of Ordinary Shares (other than the issue made upon Admission) made pursuant to the Registration Document and subject to separate approval by the FCA;  |

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| “Future Summary”                               | a summary to be issued in the future by the Company in respect of each issue, if any, of Ordinary Shares (other than the issue made upon Admission) made pursuant to the Registration Document and subject to separate approval by the FCA; |
| “General Meeting”                              | the general meeting of the Company proposed to be held on 21 May 2018 to consider the Resolutions, the notice of which (being the Notice of General Meeting) is set out in the Appendix to the Registration Document;                       |
| “Gross Initial Issue Proceeds”                 | the gross proceeds of the Initial Issue;  |
| “Gross Share Issuance Proceeds”                | the gross proceeds of the Share Issuance Programme;   |
| “HMRC”   | Her Majesty’s Revenue and Customs;  |
| “IAS”  | an international accounting standard established by the International Accounting Standards Board;   |
| “IFRS”   | International Financial Reporting Standards as adopted by the European Commission for use in the European Union;  |
| “ISIN”   | International Securities Identification Number;   |
| “Issue”  | the Placing and Offer for Subscription;   |
| “Issue Price”                                  | 101 pence per Ordinary Share, being the price at which each Ordinary Share is to be issued pursuant to the Initial Issue;   |
| “Listing Rules”                                | the rules and regulations made by the FCA pursuant to Part VI FSMA, as amended from time to time;   |
| “London Stock Exchange”                        | London Stock Exchange plc;  |
| “Member State”                                 | a member state of the European Union;   |
| “MiFID”  | Markets in Financial Instruments Directive;   |
| “Minimum Proceeds”                             | the minimum proceeds of the Initial Issue, being £20 million (or such lesser amount as the Company and Stifel may determine and notify to investors via a RIS announcement and a supplementary prospectus);                                 |
| “Net Asset Value” or “NAV”                     | the aggregate value of the assets of the Company after deduction of all liabilities, determined in accordance with the accounting policies of the Company from time to time;  |
| “Net Asset Value per Share” or “NAV per Share” | at any time, the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation;  |
| “Net Issue Proceeds”                           | the Gross Initial Issue Proceeds and the Gross Share Issuance Proceeds less applicable fees and expenses of the Initial Issue and the Share Issuance Programme;   |
| “New Ordinary Shares”                          | the Ordinary Shares to be issued pursuant to the Initial Issue;   |
| “Offer for Subscription”                       | the offer for subscription of Ordinary Shares at the Issue Price on the terms set out in this Securities Note;  |
| “Official List”                                | the Official List of the FCA;   |
| “Ordinary Shares”                              | ordinary shares of £0.01 each in the capital of the Company;  |
| “Panel on Takeovers and Mergers”               | the UK Panel on Takeovers and Mergers;  |
| “Placee”                                       | a placee under the Placing;   |
| “Placing”                                      | the conditional placing of New Ordinary Shares by Stifel at the Issue Price pursuant to the Placing Agreement as described in, and on the terms set out in, this Securities Note;   |
| “Placing Agreement”                            | the Placing Agreement between the Company, the Directors and Stifel;  |

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| “Portfolio”                                   | the investment portfolio of the Company, details of which are set out in Part 6 of the Registration Document;   |
| “Prospectus”                                  | this Securities Note, the Registration Document and Summary and any Future Securities Note and Future Summary;  |
| “Prospectus Directive”                        | EU Prospectus Directive (2003/71/EU), and amendments thereto, including the 2010 PD Directive to the extent implemented in the Relevant Member State) and includes any relevant implementing measure;   |
| “Prospectus Directive Regulation”             | Commission Regulation (EC) No 809/2004;   |
| “Prospectus Rules”                            | the prospectus rules made by the FCA pursuant to Part VI FSMA, as amended from time to time;  |
| “QIB” or “Qualified Institutional Buyer”      | has the meaning ascribed thereto in Rule 144A of the Securities Act;  |
| “Receiving Agent”                             | Link Asset Services;  |
| “Record Time”                                 | 6.00 p.m. on 17 May 2018;   |
| “Registrar”                                   | Link Asset Services;  |
| “Registration Document”                       | the registration document dated 25 April 2018 approved by the FCA and issued by the Company in respect of the issue of the Ordinary Shares to which this Securities Note and any Future Summary and Future Securities Note relate;                        |
| “Regulations”                                 | the Uncertificated Securities Regulations 2001 (SI 2001/3755);  |
| “Regulation S”                                | Regulation S under the Securities Act;  |
| “REIT Group”                                  | the Company and its subsidiaries and any other company which is eligible to be treated as a member of the same group (for the purposes of Part 12 of the CTA 2010) as the Company;  |
| “Relevant Member State”                       | each member state of the EEA which has implemented the Prospectus Directive;  |
| “Resolutions”                                 | the resolutions to be proposed at the General Meeting (and set out in the Notice of General Meeting) to approve the allotment of (i) New Ordinary Shares pursuant to the Initial Issue and (ii) Ordinary Shares pursuant to the Share Issuance Programme; |
| “RIS” or “Regulatory Information Service”     | any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the Listing Rules;  |
| “Rule 144A”                                   | Rule 144A under the Securities Act;   |
| “SDRT”  | UK stamp duty reserve tax;  |
| “Securities Act”                              | the US Securities Act of 1933, as amended;  |
| “Securities and Exchange Commission” or “SEC” | the US Securities and Exchange Commission;  |
| “SEDOL”                                       | Stock Exchange Daily Official List;   |
| “SFS” or “Specialist Fund Segment”            | the Specialist Fund Segment of the Main Market of London Stock Exchange;  |
| “Shareholder”                                 | a holder of an Ordinary Share (together “Shareholders”);  |
| “Share Issuance Programme”                    | the programme under which the Company intends to issue Ordinary Shares in Tranches;   |
| “Stifel”                                      | Stifel Nicolaus Europe Limited, the Company’s financial adviser, broker and placing agent;  |
| “Substantial Shareholder”                     | any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any member of the REIT Group to be liable to pay tax under section 551 of the CTA 2010 (as such section may be modified, supplemented or replaced    |

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|  | from time to time) on or in connection with the making of a dividend or other distribution on or in respect of Ordinary Shares 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 CTA 2010; |
| “Summary”                                    | the summary dated 25 April 2018 issued by the Company pursuant to the Registration Document and this Securities Note and approved by the FCA;   |
| “Takeover Code”                              | the City Code on Takeovers and Mergers;   |
| “Takeover Panel”                             | the Panel on Takeovers and Mergers;   |
| “Tranche”                                    | a tranche of Ordinary Shares issued under the Share Issuance Programme (together “Tranches”);   |
| “UK Corporate Governance Code”               | the corporate governance code dated September 2014 and issued by the Financial Reporting Council;   |
| “uncertificated” or “in uncertificated form” | recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;  |
| “United Kingdom” or “UK”                     | the United Kingdom of Great Britain and Northern Ireland;   |
| “United States” or “US”                      | the United States of America, its territories and possessions, any state of the United States and the District of Columbia;   |
| “US Exchange Act”                            | the United States Securities Exchange Act of 1934, as amended;  |
| “US Person”                                  | has the meaning given to it in Rule 902 under the US Securities Act, except where such term is used in connection with taxation;  |
| “US Securities Act”                          | the United States Securities Act of 1933, as amended; and   |
| “VAT”  | UK value added tax.   |

