

**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 the issue of up to 24,752,475 New Ordinary Shares in connection with the Placing and Offer for Subscription to raise Gross Issue Proceeds of up to £25 million as part of 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 26 March 2019.

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 24,752,475 New Ordinary Shares at an Issue Price of 101 pence per New Ordinary Share pursuant to the Share Issuance Programme**

*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 Issue and Admission, will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the Issue 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 Issue, 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 or the Issue 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 Issue, 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 Issue, 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 Issue 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 Issue, 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, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

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## PART 1

### ISSUE STATISTICS AND EXPECTED TIMETABLE OF PRINCIPAL EVENTS

*The 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 .....	12 March 2019
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 March 2019
Latest time and date for receipt of placing commitments under the Placing .....	11.00 a.m. on 21 March 2019

#### OTHER KEY DATES

Announcement of the results of the Issue .....	by close of business on 22 March 2019
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 26 March 2019
Crediting of CREST stock accounts .....	As soon as practicable after 8.00 a.m. on 26 March 2019
Despatch of definitive share certificates (where applicable) .....	As soon as practicable after 8.00 a.m. on 26 March 2019

#### ISSUE STATISTICS

Issue Price .....	101 pence
Number of Existing Ordinary Shares in issue at the Latest Practicable Date .....	184,356,434
New Ordinary Shares being issued <sup>(1)</sup> .....	up to 85,643,565
Gross issue proceeds of the Issue <sup>(1)</sup> .....	up to £86,500,000
Estimated net issue proceeds of the Issue <sup>(2)</sup> .....	£84,740,157

#### DEALING CODES

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

(1) On the assumption that the Company increases the size of the Issue to the maximum amount possible under the Share Issuance Programme, being 85,643,565 New Ordinary Shares. The Company is targeting an issue of 24,752,475 New Ordinary Shares but reserves the right to increase this if there is sufficient demand.

(2) On the assumption that the Issue is fully subscribed and 85,643,565 million New 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 AIFM, 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 *Trading market for the Ordinary Shares***

The share price of publicly traded 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.

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

The Company may issue new equity in the future. 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 have been 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 the percentage ownership of the Company by Shareholders who cannot, or choose not to, participate in such financing.

**1.4 *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.

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

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

**1.6 *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.

**1.7 *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.

1.8 ***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

#### **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 New 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 or the Issue. 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 Issue, Stifel and any of its affiliates, acting as an investor for its or their own account(s), may take up New 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 New Ordinary Shares and other securities of the Company or related investments in connection with the Issue 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 15 (“**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, logos, 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 Listing Rules, 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 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 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 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 New 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 New 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 New 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 New 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 New 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 New 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 New 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 Issue 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 REALES 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) 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 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” (*gekwalificeerde 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 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 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 New Ordinary Shares under the Issue.

## 10 Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution to retail investors through advised sales only and to professional clients and eligible counterparties through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of Ordinary Shares may decline and investors could lose all or part of their investment; Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Stifel will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

## 11 London time

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

## 12 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.

**13 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 ISSUE AND ADMISSION

#### 1 Background to the Issue

On 25 April 2018, the Company initiated the Share Issuance Programme. Pursuant to the Share Issuance Programme the Company has the ability, during the period ending on the first anniversary of the date of the Registration Document (which was published on 25 April 2018), to issue up to 150 million Ordinary Shares (less the number of Ordinary Shares which were issued pursuant to the Initial Issue) in Tranches. The New Ordinary Shares to be issued pursuant to the Issue represent one such Tranche.

The Issue comprises the Placing and the Offer for Subscription. The Company is seeking to raise up to approximately £25 million (before expenses) through the Issue at the Issue Price, which it will deploy to acquire investments in line with its Investment Policy. The Issue is not being underwritten.

The Board has reserved the right, in conjunction with Stifel, to increase the size of the Issue up to a maximum of 85,643,565 New Ordinary Shares in aggregate if there is sufficient demand, by increasing the size of the Placing or the Offer for Subscription to the maximum amount available under the Share Issuance Programme. The total actual number of New Ordinary Shares to be issued under the Issue, and therefore the Gross 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.

The Company expects to use the net issue proceeds of the Issue (the “**Net Issue Proceeds**”) to acquire further pipeline investments in line with its Investment Policy, further details of which are set out in paragraph 1 of Part 7.

#### 2 Reasons for the Issue 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 Issue and Admission are important steps in the REIT Group’s development and will provide the Company with funds to capitalise on this pipeline of investment opportunities.

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

The Directors believe that the Issue has the following principal benefits for Shareholders:

- the net proceeds of the Issue will be used to invest further in operational properties let to UK supermarket operators, diversifying the Portfolio, providing strategic flexibility and capitalising on the Company’s leading position in the supermarket real estate market;
- 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 believe that the Issue, implemented as part of the Share Issuance Programme, will 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.

## PART 6

### THE ISSUE

#### 1 Introduction

The Company is seeking to raise up to approximately £25 million (before expenses) through the Placing and Offer for Subscription.

The Issue is not underwritten. Pursuant to the terms of the Placing Agreement, the Issue is also conditional upon, *inter alia*:

- (a) none of the warranties under the Placing Agreement having ceased to be true and accurate or having become misleading at any time following the date of the Placing Agreement up to and including the date of Admission; and
- (b) Admission having become effective on or before 8.00 a.m. on 26 March 2019 or such later time and/or date as the Company and Stifel may agree.

If these conditions are not met, the Issue will not proceed and an announcement to that effect will be made via a RIS announcement.

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

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

#### 2 The Placing

The Company, the Investment Adviser and Stifel entered into the Placing Agreement on 25 April 2018, pursuant to which Stifel has agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the New Ordinary Shares made available, as part of the Share Issuance Programme, in the Placing at the Issue Price. The Placing is not being underwritten.

Applications under the Placing will be subject to the terms and conditions set out in Part 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 21 March 2019 (or such later date as the Company and Stifel may agree). If the Placing is extended, 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 conditions to the Placing are set out in paragraph 1 of this Part 6 above.

#### 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 – 2019 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 Issue**

All New Ordinary Shares issued pursuant to the Issue will be issued or sold at the Issue Price. Allocations will be 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 Issue up to a maximum of 85,643,565 New Ordinary Shares in aggregate if there is sufficient demand, by increasing the size of the Placing or the Offer for Subscription to the maximum amount available under the Share Issuance Programme.

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

#### **5 General**

Subject to those matters on which the 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 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 New Ordinary Shares to be admitted to trading on the Specialist Fund Segment. Listing of the New 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 New Ordinary Shares will commence on the London Stock Exchange at 8.00 am on 26 March 2019 and the earliest date for settlement of such dealings will be on that date.

The New Ordinary Shares are in registered form and can be held in certificated or uncertificated form. Title to certificated New Ordinary Shares (if any) will be evidenced in the register of members of the Company and title to uncertificated New 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 New Ordinary Shares to investors who wish to hold New 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 Issue will be posted by first class post as soon as practicable after 8.00 a.m. on 26 March 2019. The New 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 New Ordinary Shares which are not settled in CREST, transfers of those New 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. The Articles of Association permit the holding of Ordinary Shares under CREST. The Company has applied for the New Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the New 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 in 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 New 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, 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 Issue.

## PART 7

### UPDATES TO REGISTRATION DOCUMENT

#### 1 Pipeline

The Investment Adviser is currently seeing multiple attractive investment opportunities in the market and has identified five assets with an aggregate value of approximately £260 million which meet the Investment Policy criteria (the “**Potential Assets**”) and could, it believes, be acquired in a relatively short time frame.

As at the date of this Securities Note, the Investment Adviser is in advanced discussions with the owners of two of the Potential Assets (the “**Target Assets**”). No contractually binding obligations for the sale and purchase of the Target Assets have been entered into by the Investment Adviser or the Company. If both of the Target Assets were acquired, the total expected purchase price would be approximately £100 million, which may be funded by the Company with a mixture of existing financial resources, new equity and/or new debt facilities. Both Target Assets benefit from long RPI linked leases (capped and collared at 0 per cent. and 4 per cent., and 0 per cent. and 5 per cent. respectively), with a weighted average lease term of 19 years. Both Target Assets are occupied by Tesco and benefit from low site cover, interesting asset management opportunities and geographical locations in the Midlands and East of England which support multiple sales channels including click and collect delivery, in addition to in-store customers. The average net initial yield on the Target Assets is expected to be broadly in line with the existing Portfolio.

In addition to the Potential Assets, the Company is currently seeing other potential investment opportunities, although these remain subject to due diligence and negotiation. These assets would offer the Company alternative investment opportunities if acceptable terms could not be agreed with the vendors of the Potential Assets. If the Company raises less than £25 million pursuant to the Issue, the Company and the Directors will consider which asset would best suit the size of the Portfolio, which may include both or neither of the Target Assets.

The Investment Adviser has undertaken its own due diligence and negotiations in connection with the Potential Assets. Following Admission, the Directors may or may not accept any or all of the Potential Assets, or other assets, as being suitable for the Company and may or may not pursue any such opportunities.

#### 2 Portfolio update

##### 2.1 Introduction

As at the date of this Securities Note, the Portfolio comprises six supermarket real estate assets, operating both as physical supermarkets and as online fulfilment centres (for home delivery and/or click and collect), on large sites with the potential for capital growth through active asset management opportunities.

As at 31 December 2018, the Portfolio had a market value of approximately £320.6 million. The Portfolio is let on fully repairing and insuring lease terms, with upward only, annual, RPI-linked rent reviews, generating an annualised passing rent roll of £16.7 million, with a current weighted averaged unexpired lease term of 19 years.

Part 8 of this Securities Note contains the Valuation Report on the Portfolio prepared for the Company by the Valuer. No material changes have occurred since the date of valuation as set out in the Valuation Report and this Securities Note. The Valuer is DTZ Debenham Tie Leung Limited (trading as Cushman & Wakefield) (“**Cushman & Wakefield**”) (a private limited company incorporated in England on 16 October 1992 under the Companies Act 1985 with registered number 02757768).

Details of the six assets which make up the Portfolio as at the date of this Securities Note are set out below:

<b>Tenant</b>	Sainsbury's	Tesco	Tesco	Tesco	Morrisons	Tesco
<b>Location</b>	Ashford, Kent	Thetford, Norwich	Lime Trees, Bristol	Cumbernauld, North Lanarkshire	Sheffield	Scunthorpe
<b>Acquisition month</b>	August 2017	August 2017	August 2017	December 2017	July 2018	May 2018
<b>Purchase price (excl. acquisition costs)</b>	£79.8m	£43.2m	£28.5m	£50.0m	£51.7m	£53m
<b>Valuation (31 December 2018)</b>	£84.32m	£44.21m	£29.27m	£55m	£52.21m	£55.64m
<b>Passing annual rent</b>	£3.93m	£2.64m	£1.58m	£2.94m	£2.54m	£2.88m*
<b>Size (sq. ft.)</b>	125,000	78,000	55,000	117,000	113,000	98,000
<b>Rent review basis</b>	Annual RPI	Annual RPI	Annual RPI	Annual RPI	5 year RPI	Annual RPI
<b>Next rent review</b>	September 2019	December 2019	March 2020	March 2019	October 2019	March 2020
<b>Rent review collar</b>	3% cap, 1% floor	4% cap, 0% floor	4% cap, 0% floor	5% cap, 0% floor	4% cap, 0% floor	5% cap, 0% floor
<b>Lease expiry</b>	September 2038	December 2029	February 2031	August 2040	September 2039	August 2040

\* From 25 March 2019, this will increase to £2.98m (see RNS announcement dated 7 March 2019).

The Portfolio has been independently valued by the Valuer in accordance with the RICS Valuation – Professional Standards 2017 (the “**Red Book**”). As at 31 December 2018, the Portfolio had a market value of £320,650,000, representing an increase of approximately £14,450,000 above the aggregate acquisition price (excluding acquisition costs).

## 2.2 New stores acquired since the date of the Registration Document

### 2.2.1 *Tesco Extra Scunthorpe*

On 31 May 2018, the Company completed its acquisition of a Tesco Extra supermarket in Scunthorpe from Legal and General Pensions Limited for £53 million (net of acquisition costs), reflecting a net initial yield of 5.1 per cent..

The store totals 98,000 square foot on an 8-acre site with more than 580 parking spaces, an 8-pump filling station and dedicated online fulfilment distribution docks.

It was acquired with an unexpired lease term of 22 years with annual, upward-only, RPI-linked rent reviews (subject to cap and floor) on fully repairing and insuring terms. The purchase was funded from the proceeds of the Initial Issue.

### 2.2.2 *Morrisons' Sheffield*

On 19 July 2018, the Company completed its acquisition of a Morrisons' supermarket in Sheffield from Opus North for £51.7 million (excluding acquisition costs). This reflects a net initial yield of 4.9 per cent.

The supermarket comprises a 113,000 square foot Morrisons' supermarket, approximately 860 parking spaces and a 12-pump petrol filling station.

It was acquired with an unexpired lease term of 21 years with five-yearly, upward-only, RPI-linked rent reviews compounded annually (subject to cap and floor). The next rent review is scheduled for October 2019.

## 2.3 Update on existing stores as at the date of this Securities Note

Please refer to the RNS announcements dated 5 November 2018 and 13 February 2019 referred to in paragraph 6 of this Part 7.

## 3 Updated details on the market

3.1 In relation to 'Graph 3' on page 43 of the Registration Document, distribution warehouse yields have decreased from 4.9 per cent. to 4.7 per cent as at 30 September 2018.

3.2 In relation to 'Graph 5' on page 45 of the Registration Document, Tesco buybacks for 2018 were approximately £146 million.

## 4 Updated Historical Financial Information

### 4.1 Incorporation by reference

The following historical information is incorporated by reference into this Securities Note:

- 4.1.1 the Company's annual report and accounts from the date of incorporation to 30 June 2018 (the "**2018 Annual Report and Accounts**"); and
- 4.1.2 the Company's unaudited interim results for the six month period ended 31 December 2018 (the "**2018 Unaudited Interim Financial Statements**").

Copies of the 2018 Annual Report and Accounts and the 2018 Unaudited Interim Financial Statements have been filed with the FCA and may be obtained from the Company's website ([www.supermarketincomereit.com](http://www.supermarketincomereit.com)).

### 4.2 Cross-reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this Securities Note. Where only parts of a document have been incorporated by reference, those parts of the document which are not incorporated by reference are not relevant for an investor or, if they are, have been covered elsewhere in this Securities Note.

#### **2018 Annual Report and Accounts**

Information	Page reference in the 2018 Annual Report and Accounts
Chairman's Statement	2-3
Our Portfolio	5-6
Investment Adviser's Report	9-13
Our Principal Risks	18-21
Board of Directors	22
Audit Committee Report	28-31
Directors' Report	32-34
Directors' Remuneration Report	35-36
Independent Auditors' Report	39-43
Consolidated Statements	44-47
Notes to the Consolidated Statements	48-65

#### **2018 Unaudited Interim Financial Statements**

Information	Page reference in the 2018 Unaudited Interim Financial Statements
Chairman's statement	2-4
Investment Adviser's report	4-6
Independent review report to Supermarket Income REIT plc	7-8
Financial statements	7-24
Company information	24-25

## 5 Operating and Financial Review

The following operating and financial review should be read in conjunction with the historical financial information incorporated by reference in paragraph 4 of this Part 7 of this Securities Note and the other financial information relating to the REIT Group included elsewhere in this Securities Note. This review contains forward-looking statements based on the current expectations and assumptions about the REIT Group's future business. Forward looking statements are not guarantees of future performance and no assurance can be or is given that such future results will be achieved. The REIT Group's actual results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this

Securities Note. In addition, even if the results of operations, financial condition 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.

The selected financial information incorporated by reference in this paragraph 5 of this Part 7 is from the 2018 Annual Report and Accounts and the 2018 Unaudited Interim Financial Statements incorporated by reference in paragraph 4 of this Part 7, which have been prepared in accordance with IFRS.

#### 5.1 **Operating and financial review for the financial period ended 30 June 2018**

Please refer to the Chairman's statement from pages 2 to 3 of the 2018 Annual Report and Accounts, and the Investment Adviser's Report from pages 9 to 13 of the 2018 Annual Report and Accounts.

#### 5.2 **Operating and financial review for the six months ended 31 December 2018**

Please refer to the Chairman's statement from pages 2 to 4 of the 2018 Unaudited Interim Financial Statements, and the Investment Adviser's Report from pages 4 to 6 of the 2018 Unaudited Interim Financial Statements.

### 6 **Other announcements incorporated by reference**

<b>Information</b>	<b>RNS announcement date</b>
Annual rent review and increase in rent on the Tesco Extra supermarket in Scunthorpe	7 March 2019
Annual rent review and increase in rent on the Tesco supermarket in Bristol	13 February 2019
Interim results for the six months ended 31 December 2018	7 February 2019
Declaration of interim dividend of 1.419 pence per Ordinary Share for the period from 1 October to 31 December 2018	8 January 2019
Annual rent review and increase in rent on the Sainsbury's supermarket in Ashford and the Tesco superstore in Thetford	5 November 2018
Declaration of interim dividend of 1.375 pence per Ordinary Share for the period from 1 July to 30 September 2018	8 October 2018
Acquisition of Morrisons' supermarket in Sheffield	19 July 2018
Declaration of interim dividend of 1.375 pence per Ordinary Share for the period from 1 April 2018 to 30 June 2018	18 July 2018
Acquisition of Tesco Extra in Scunthorpe	31 May 2018

### 7 **Material Contracts**

#### ***Facility agreement with Bayerische Landesbank***

On 19 July 2018, the Company announced that it had secured a £52,100,000 term loan credit facility with Bayerische Landesbank (the "**BLB Facility**"). The purpose of the BLB Facility was to, amongst others, indirectly acquire or finance the properties known as (i) Morrisons Store, 699 Penistone Road, Sheffield S6 2GY and (ii) Sainsbury's Store, Simone Weil Avenue, Ashford TN24 8YN (the "**Properties**").

Each of the borrowers under the BLB Facility has provided guarantees and security over their respective assets including the Properties.

The applicable rate of interest is LIBOR plus a margin of 1.25 per cent. per annum.

The BLB Facility contains customary undertakings and events of default.

The facility contains certain financial covenants. Projected interest cover must not be less than 350 per cent. LTV must not at any time exceed 60 per cent.

The BLB Facility must be repaid in full on 18 July 2023.

### **Goodbody Engagement Letter**

The Company has appointed Goodbody Stockbrokers UK (“**Goodbody**”) to act as a placing agent in connection with the Placing on the terms and subject to the conditions of an engagement letter dated 6 March 2019 (the “**Goodbody Engagement Letter**”). Pursuant to the Goodbody Engagement Letter, Goodbody will, *inter alia*, use reasonable endeavours to procure Placees for New Ordinary Shares under the Placing at the Issue Price, such Placees to be: (i) only Placees situated in the Republic of Ireland (the “**Goodbody Irish Placees**”); and (ii) only those Placees located in the UK that are set out in the Goodbody Engagement Letter (the “**Goodbody UK Placees**” and, together with the Goodbody Irish Placees, the “**Goodbody Placees**”).

The obligations of Goodbody are conditional upon the Placing Agreement not being terminated prior to Admission. The Company will procure that New Ordinary Shares allotted to Goodbody Placees will be allotted and issued to those Goodbody Placees on the same basis and timing as Placees procured by Stifel.

The Goodbody Engagement Letter provides for Goodbody to be paid, conditional upon Admission: (i) a broking commission equal to 1.5 per cent. of the aggregate value of the New Ordinary Shares subscribed for by Goodbody Placees; and (ii) a broking commission equal to such proportion of 1.5 per cent. of the aggregate value of the New Ordinary Shares subscribed for by certain other Placees set out in the Goodbody Engagement Letter.

Pursuant to the Goodbody Engagement Letter, the Company has agreed to indemnify Goodbody and its affiliates from and against, *inter alia*, any and all losses, costs, claims, actions and expenses (“**Claims**”) arising directly or indirectly out of or in connection with Goodbody’s services under the Goodbody Engagement Letter. The Company has agreed to reimburse Goodbody for all reasonable costs and expenses properly incurred in investigating and defending any Claim.

The Goodbody Engagement Letter is governed by the laws of England and Wales.

## **8 Capitalisation and Indebtedness**

The tables below set out the capitalisation of the REIT Group at 31 December 2018 (sourced, without material amendment from the 2018 Unaudited Interim Financial Statements) and the indebtedness of the REIT Group as at 31 December 2018 (sourced, without material amendment from the 2018 Unaudited Interim Financial Statements):

	<b>Unaudited £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	143,710
Unguaranteed/unsecured	—
	<b>143,710</b>
<b>Total indebtedness</b>	<b>143,710</b>
<b>Shareholders’ equity</b>	
Share capital	1,844
Share premium reserve	149,039
Capital reduction reserve	20,255
Cash flow hedge reserve	(319)
<b>Total capitalisation</b>	<b>170,819</b>

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

	<b>Unaudited £000</b>
Cash	5,895
Cash equivalent	—
Trading securities	—
	<hr/>
<b>Liquidity</b>	<b>5,895</b>
	<hr/> <hr/>
<b>Current financial receivables</b>	
Current bank debt	—
Current portion of non current debt	—
Other current financial debt	—
	<hr/>
<b>Current financial debt</b>	<b>—</b>
	<hr/>
<b>Net current financial indebtedness</b>	<b>5,895</b>
	<hr/> <hr/>
Non current bank loans	(143,710)
Bonds issued	—
Other non current loans	—
	<hr/>
<b>Non current financial indebtedness</b>	<b>(143,710)</b>
	<hr/>
<b>Net financial indebtedness</b>	<b>(137,815)</b>
	<hr/> <hr/>

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 Unaudited Interim Financial Statement of the Group for the period ended 31 December 2018. Capitalisation does not include the profit and loss reserve in accordance with the ESMA update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004.

## 9 Additional Information

### 9.1 Taxation

Part 9 of this Securities Note contains a summary of the expected UK tax treatment of shareholders of the Company and should be read instead of paragraph 7 of Part 10 of the Registration Document.

## 9.2 Subsidiaries

<u>Name</u>	<u>Relationship to Company</u>	<u>Purpose</u>
Supermarket Income Investments UK Limited	Direct subsidiary	Intermediate parent company
Supermarket Income Investments (Midco2) UK Limited	Direct subsidiary	Intermediate parent company
Supermarket Income Investments UK (NO1) Limited	Indirect subsidiary	Property investment
Supermarket Income Investments UK (NO2) Limited	Indirect subsidiary	Property investment
Supermarket Income Investments UK (NO3) Limited	Indirect subsidiary	Property investment
Supermarket Income Investments UK (NO4) Limited	Indirect subsidiary	Property investment
Supermarket Income Investments UK (NO5) Limited	Indirect subsidiary	Property investment
Supermarket Income Investments UK (NO6) Limited	Indirect subsidiary	Property investment
Supermarket Income Investments UK (NO7) Limited	Indirect subsidiary	Property investment

## 9.3 Significant change

There has been no significant change in the financial or trading position of the REIT Group since 31 December 2018, the date to which the historical financial information in paragraph 4 of this Part 7 is drawn up.

## 9.4 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 month period ending on the date of this Securities Note which may have, or have had in the recent past, significant effects on the Company's or the REIT Group's financial position or profitability.

## 9.5 Directors

On 15 October 2018, Nick Hewson was appointed to the board of Specialist Healthcare Properties plc.

**PART 8**  
**VALUATION REPORT**



Cushman & Wakefield  
43/45 Portman Square  
London  
W1A 3BG

Tel 020 7935 5000  
Fax 020 7152 5360  
www.cushmanwakefield.com

**VALUATION RECORD**

**To:** Supermarket Income REIT plc (the “**Company**”) 7th Floor 9 Berkeley Street London W1J 8DW  
Stifel Nicolaus Europe Limited (“**Stifel**”) 4th Floor 150 Cheapside London EC2V 6ET

(the “**Addressees**”)

**Property:** The address, tenure and property type of each part of the property (the “**Properties**”) is included in Appendix 1 of this Valuation Report.

**Report date:** 12/03/2019

**Valuation date:** 31/12/2018 (the “**Valuation Date**”)

**Our reference:** PS6/DVT

**1. Instructions**

**1.1. Appointment**

We are pleased to submit our report and valuation (the “**Valuation Report**”), which has been prepared in accordance with the engagement letter entered into between us, the Company and Stifel dated 1 March 2019 (the “**Engagement Letter**”). This Engagement Letter and the terms set out therein constitute the “**Engagement**”.

Included in the Engagement is the Valuation Services Schedule (“**VSS**”). This Valuation Report is in condensed form and includes references to our VSS. The VSS is included in our full report, a copy of which (with commercially sensitive information redacted) may be obtained upon request from the Addressees. It is essential to understand that the contents of this Valuation Report are subject to the various matters we have assumed, which are referred to and confirmed as Assumptions in the VSS. Unless otherwise defined, all capitalised terms herein shall be as defined in the VSS.

We have valued the property interests in the above Properties and hereby confirm that as at the date of this Valuation Report, we have not become aware (after making reasonable enquiries of the Company and on the assumption that the Company has provided a full response to those enquiries) of any material change since 31 December 2018 in any matter relating to the Properties which in our opinion would have a material effect on the Market Value of the Properties as at today’s date, and in relation to market conditions and movements in property markets in which the Properties are located, we do not consider that any movement in respect of the Properties constitutes a material change to the Market Value reported.

A list of the addresses comprising the Properties, together with a note of their tenure, is included in Appendix 1.

## 1.2. **Compliance with RICS Valuation – Global Standards**

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

## 1.3. **Status of Valuer and Conflicts of Interest**

We confirm that all valuers who have contributed to the valuation of the Properties have complied with the requirements of PS 1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuation of the Properties competently. We confirm that David Tittle has overall responsibility for the valuation of the Properties and is in a position to provide an objective and unbiased valuation and is competent to undertake the valuation. Finally, we confirm that we have undertaken the valuation of the Properties acting as an External Valuer as defined in the RICS Red Book.

As you are aware, Cushman and Wakefield have previous involvement with the separate properties which comprise the Properties in that Cushman and Wakefield have valued them for the purposes of the Company’s accounts in 2018.

## 1.4. **Purpose of Valuation**

The purpose of this Valuation Report is for inclusion in a securities note (“**Securities Note**”) dated 12 March 2019 published by the Company in connection with the Issue (as defined in the Securities Note) (the “**Purpose of the Valuation Report**”).

In accordance with PS 2.5 and UK VS 4 of the RICS Red Book we have made certain disclosures in connection with this valuation instruction and our relationship with the Company. These are included in item 1.5 below.

## 1.5. **Disclosures required under the provisions of PS 2.5 and UK VS 4**

### **David Tittle**

C&W was first instructed to address a valuation report to the Company in 2017. We are instructed to prepare valuation reports for the Company on a biannual basis for financial reporting purposes. David Tittle is the signatory of this Valuation Report.

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

### **C&W’s relationship with the Company**

C&W have been carrying out valuation instructions for Supermarket Income REIT PLC since 2017.

### **Fee income from the Company**

On 1 September 2015, DTZ acquired Cushman & Wakefield and the combined group now trades under the Cushman & Wakefield brand. C&W’s financial year end is 31 December. We confirm that the proportion of fees payable by the Company and its subsidiary companies to C&W in the financial year ended 31 December 2019 was less than 5 per cent. We anticipate that the proportion of fees for the financial year to 31 December 2020 will remain less than 5 per cent.

## 1.6. **Inspections**

The Properties have been inspected internally and externally between 4 July 2018 and 1 March 2019.

### 1.7. **Floor areas**

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

**Retail** GIA

### 1.8. **Accommodation**

#### **Source of Floor Areas**

We have been provided with floor areas by the Company or their professional advisers, and we have carried out check measurements on site. There was no material difference between our measured areas and the areas provided by the Company or its professional advisers; consequently, we have adopted the areas provided.

### 1.9. **Sources of information**

In addition to information established by us, we have relied on the information obtained from the Company and its professional advisers.

We have made the Assumption (as that term is defined in the VSS) that the information provided by the Company and its professional advisers in respect of the Properties is both complete and correct. We have made the further Assumption that details of all matters relevant to value within their collective knowledge, such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to us, and that such information is up to date.

## 2. **Basis of valuation**

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

#### **Market Value**

The term "Market Value" as referred to in VPS 4 Item 4 of the RICS Red Book and applying the conceptual framework which is set out in IVS 104: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

## 3. **Taxation and costs**

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

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

## 4. **VAT**

The Company has advised us that the option to tax has been exercised in respect of all the commercial elements of the Properties.

The capital valuations and rentals included in this Valuation Report are net of Value Added Tax at the prevailing rate.

## 5. **Property information**

### 5.1. **Enquiries**

We have made various enquiries relating to the Properties, details of which can be found in the VSS.

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

As stated in the VSS, in accordance with the Company's instructions, we have not made enquiries of the relevant planning authorities.

## 6. Valuation

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

Freehold	£84,320,000 (Eighty four million, three hundred and twenty thousand pounds)
Long leasehold	£236,330,000 (Two hundred and thirty six million, three hundred and thirty thousand pounds)
<b>Total</b>	<b>£320,650,000 (Three hundred and twenty million, six hundred and fifty thousand pounds)</b>

Long leasehold is defined as an interest with an unexpired term of more than 50 years. The average unexpired length of the long leasehold interests in the Properties is 19 years by reference to income.

We confirm that, in our opinion, the current valuation of the Properties as at the date of this Valuation Report would not be materially different from the valuation of the Properties as at the Valuation Date.

## 7. Modification and Alterations

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

To the fullest extent permitted by law, we hereby exclude all liability arising from use of and/or reliance on this Valuation Report by any person or persons except as otherwise set out herein or in the VSS.

## 8. Reliance and Responsibility

For the purposes of Prospectus Rule 5.5.3(R)(2)(f), we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. We have given our consent for the purpose of Annex I paragraph 23.1 of the Prospectus Rules to the inclusion of this Valuation Report in the Securities Note and to the references to this Valuation Report and itself in the Securities Note in the form and context in which they appear.

This Valuation Report complies with Rule 5.6.5G of the Prospectus Rules and paragraphs 128 to 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004.

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

**David Tittle FRICS**

Partner

RICS Registered Valuer

## APPENDIX 1 – Property Schedule

<b>PROPERTY</b>	<b>INTEREST</b>	<b>PROPERTY TYPE</b>	<b>INSPECTION DATE</b>
Sainsbury's Superstore, Simone Weil Avenue, ASHFORD, Kent, TN24 8YN	Freehold	Foodstore investment	1 March 2019
Tesco Superstore, Lime Trees Road, BRISTOL, Avon BS6 7XW	999 years from 25 October 2006 at a rent of £2, fixed throughout the term	Foodstore investment	1 March 2019
Tesco Extra Superstore, Tryst Road, Lanarkshire CUMBERNAULD, G67 1JW	175 years (including option to extend) from 25 June 2003 at a peppercorn rent, fixed throughout the term	Foodstore investment	6 July 2018
Tesco Extra Superstore, Kilverstone, THETFORD, Norfolk, IP24 2RL	999 years from 9 October 2006 at a rent of £2, fixed throughout the term	Foodstore investment	18 January 2019
Morrisons 699 Penistone Road SHEFFIELD S6 2GY	125 years from 26 January 2014 at a rent of £10, fixed throughout the term	Foodstore investment	9 July 2018
Tesco Extra Gallagher Retail Park Doncaster Road SCUNTHORPE North Lincolnshire DN15 8GR	999 years from 26 October 2006 at a rent of £2, fixed throughout the term	Foodstore investment	4 July 2018

## APPENDIX 2 – Definitions Schedule

### 1. Bases of Valuation:

<b>Market Value</b>	<p>Market Value as referred to in VPS4, Item 4 of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards (“<b>IVS</b>”) and the RICS UK Valuation Standards (the “<b>RICS Red Book</b>”), and applying the conceptual framework which is set out in IVS104:</p> <p><i>“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”</i></p> <p>The conceptual framework set out in IVS104 is reproduced below:</p> <p><i>“30.2. The definition of Market Value must be applied in accordance with the following conceptual framework:</i></p> <ul style="list-style-type: none"> <li><i>(a) “The estimated amount” refers to a price expressed in terms of money payable for the asset in an arm’s length market transaction. Market Value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone General Standards – IVS 104 Bases of Value General Standards General Standards – IVS 104 Bases of Value 19 associated with the sale, or any element of value available only to a specific owner or purchaser.</i></li> <li><i>(b) “An asset or liability should exchange” refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date.</i></li> <li><i>(c) “On the valuation date” requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.</i></li> <li><i>(d) “Between a willing buyer” refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”.</i></li> <li><i>(e) “And a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing,</i></li> </ul>
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*whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.*

- (f) "In an arm's length transaction" is one between parties who do not have a particular or special relationship, e.g., parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated. The Market Value transaction is presumed to be between unrelated parties, each acting independently.*
- (g) "After proper marketing" means that the asset has been exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date.*
- (h) "Where the parties had each acted knowledgeably, prudently" presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses, and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the General Standards – IVS 104 Bases of Value International Valuation Standards General Standards – IVS 104 Bases of Value 20 valuation date, not with the benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.*
- (i) "And without compulsion" establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.*

*30.3. The concept of Market Value presumes a price negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market participants. The market in which the asset is presumed exposed for sale is the one in which the asset notionally being exchanged is normally exchanged.*

*30.4. The Market Value of an asset will reflect its highest and best use (see paras 140.1-140.5). The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.*

<p><b>Fair Value – IFRS</b></p>	<p>Fair Value is referred to in VPS4 Item 7 of the RICS Red Book. Under these provisions, the term “<b>Fair Value</b>” means the definition adopted by the International Accounting Standards Board (“<b>IASB</b>”) in IFRS 13:</p> <p><i>“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.</i></p>
<p><b>Fair Value – UK GAAP</b></p>	<p>Fair Value in accordance with RICS UK Valuation Standard (“<b>UKVS</b>”) 1. Under these provisions, the term “<b>Fair Value</b>” means:</p> <p><i>“The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted between knowledgeable, willing parties in an arm’s length transaction.”</i></p>
<p><b>Market Rent</b></p>	<p>Market Rent as referred to in VPS 4 Item 5 of the RICS Red Book. Under VPS 4 Item 5 the term “<b>Market Rent</b>” is defined in IVS104 as: “The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.</p> <p>Whenever Market Rent is provided the “appropriate lease terms” which it reflects should also be stated.</p> <p>The commentary from VPS4 Item 5 of the RICS Red Book is reproduced below:</p> <p><i>“5.1 <b>Market rent</b> will vary significantly according to the terms of the assumed lease contract. The appropriate lease terms will normally reflect current practice in the market in which the property is situated, although for certain purposes unusual terms may need to be stipulated. Matters such as the duration of the lease, the frequency of rent reviews and the responsibilities of the parties for maintenance and outgoings will all impact the <b>market rent</b>. In certain countries or states, statutory factors may either restrict the terms that may be agreed, or influence the impact of terms in the contract. These need to be taken into account where appropriate.</i></p> <p><i>5.2. <b>Market rent</b> will normally be used to indicate the amount for which a vacant property may be let, or for which a let property may re-let when the existing lease terminates. <b>Market rent</b> is not a suitable basis for settling the amount of rent payable under a rent review provision in a lease, where the definitions and assumptions specified in the lease have to be used.</i></p> <p><i>5.3 Valuers must therefore take care to set out clearly the principal lease terms that are assumed when providing an opinion of <b>market rent</b>. If it is the market norm for lettings to include a payment or concession by one party to the other as an incentive to enter into a lease, and this is reflected in the general level of rents agreed, the <b>market rent</b> should also be expressed on this basis. The nature of the incentive assumed must be stated by the valuer, along with the assumed lease terms.”</i></p>
<p><b>Existing Use Value</b></p>	<p>Existing Use Value as defined in UKVS 1. Under UKVS 1, the term “<b>Existing Use Value</b>” is defined as follows:</p> <p><i>“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost”.</i></p>

## 2. Special Assumptions:

<b>Special Assumptions</b>	The Glossary of the RICS Red Book states that an Assumption “ <i>that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date</i> ” is a Special Assumption.
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### APPENDIX 3 – Address, tenure and value

Address	Description & tenure	Occupational tenancies	Market Value as at 31 December 2018
<b>Property held for investment:</b>			
Sainsbury's Superstore, Simone Weil Avenue, ASHFORD, Kent TN24 8YN	<p>Out of town centre foodstore having a gross internal floor area of 11,609.4 m* (124,964 ft*). There are about 702 parking spaces and a 16 pump petrol filling station.</p> <p>Site area approx. 6.712 hectares (16.59 acres).</p> <p>Built in 1991 and extended in 2011.</p> <p>Freehold</p>	<p>Entirely let to Sainsbury's Supermarkets Ltd on full repairing and insuring terms for 25 years expiring 5th September 2038 with a tenant's option to renew on substantially the same terms for a period of 25 years at market rent.</p> <p>The rent is increased annually on 6th September in line with changes in the Retail Price Index (RPI) subject in any year to a minimum of 1.0% and a maximum of 3.0%.</p> <p>The tenant has a right of pre-emption to purchase the property if the freeholder decides to sell.</p>	£84,320,000
Tesco Superstore, Lime Trees Road, BRISTOL Avon BS6 7XW	<p>Out of town centre foodstore having a gross internal floor area of 5,045.7 m* (54,312 ft*) with 468 parking spaces.</p> <p>Site area approx. 2.961 hectares (7.32 acres).</p> <p>Built in 1993.</p> <p>999 years from 25th October 2006 at a rent of £2, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Property Nominees (No.5) Limited and Tesco Property Nominees (No.6) Limited, guaranteed by Tesco Plc on full repairing and insuring terms for 20 years expiring 28th February 2031.</p> <p>The rent is increased annually on 1st March in line with changes in the Retail Price Index (RPI) subject in any year to a minimum of 0% and a maximum of 4.0%.</p> <p>The Tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease.</p> <p>The tenant has the option to purchase the property on lease expiry and also has the right to substitute the asset.</p>	£29,270,000
Tesco Extra Superstore, Tryst Road, CUMBERNAULD G67 1JW	<p>Out of town centre foodstore having a gross internal floor area of 11,182.9 m* (120,373 ft*) with 584 parking spaces and a 12 pump petrol filling station.</p> <p>Site area approx. 3.78 hectares (9.34 acres).</p> <p>Built in 2004.</p> <p>175 years (including option to extend) from 25th June 2003 at a peppercorn rent, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Property Nominees (No.5) Limited and Tesco Property Nominees (No.6) Limited, guaranteed by Tesco Plc on full repairing and insuring terms for 30 years expiring 25th August 2040.</p> <p>The rent is increased annually on 25th March in line with changes in the Retail Price Index (RPI) based on the 12 month's period published in September preceding the review subject in any year to a minimum of 0% and a maximum of 5.0%.</p> <p>The Tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease.</p>	£55,000,000

Address	Description & tenure	Occupational tenancies	Market Value as at 31 December 2018
Tesco Extra Superstore, Kilverstone, THETFORD Norfolk IP24 2RL	<p>Out of town centre foodstore having a gross internal floor area of 7,286.6 sq m (78,239 sq ft) with 520 parking spaces and a 8 pump petrol filling station.</p> <p>Site area approx. 5.27 hectares (13.27 acres).</p> <p>Built in 1991.</p> <p>999 years from 9th October 2006 at a rent of £2, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Stores Limited, guaranteed by Tesco Plc on full repairing and insuring terms for 20 years expiring 22nd December 2029.</p> <p>The rent is increased annually on 25th December in line with changes in the Retail Price Index (RPI) based on the 12 month's period published in May preceding the review subject in any year to a minimum of 0% and a maximum of 4.0%.</p> <p>The Tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease.</p> <p>The tenant has the option to purchase the property on lease expiry and also has the right to substitute the asset.</p>	£44,210,000
Tesco Extra Superstore Gallagher Retail Park Doncaster Road SCUNTHORPE North Lincolnshire DN15 8GR	<p>Out of town centre foodstore having a gross internal floor area of 9,014.4 sq m (97,032 sq ft) with 586 parking spaces and an 8 pump petrol filling station.</p> <p>Site area approx. 3.37 hectares (8.32 acres).</p> <p>Built in 2002.</p> <p>999 years from 26th October 2006 at a rent of £2, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Property Nominees (No.5) Limited and Tesco Property Nominees (No.6) Limited, guaranteed by Tesco Plc on a full repairing and insuring basis for a term of 30 years expiring 25th August 2040.</p> <p>The rent is increased annually on 25th March in line with changes in the Retail Price Index (RPI) based on the 12 month's period published in September preceding the review subject in any year to a minimum of 0% and a maximum of 5.0%.</p> <p>The tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease except that the RPI increase will be capped at 4.0%.</p> <p>The tenant has the option to purchase the property on lease expiry and also has the right to substitute the asset.</p>	£55,640,000
Morrisons Superstore 699 Penistone Road SHEFFIELD S6 2GY	<p>Out of city centre foodstore having a gross internal floor area of 11,623.6 sq m (125,115 sq ft) with 867 parking spaces and a 12 pump petrol filling station.</p> <p>Site area approx. 3.4 hectares (8.39 acres).</p> <p>Originally built in 1854, restored and developed for its current use between 1991 and 1996.</p> <p>125 years from 26th January 2014 at a rent of £10, fixed throughout the term.</p>	<p>Entirely sublet to WM Morrison Supermarkets Plc on full repairing and insuring terms expiring 30th September 2039.</p> <p>The rent is increased on 1st October 2019 and 5 yearly in line with changes in the Retail Price Index (RPI) subject in any year to a minimum of 0% and a maximum of 4.0% compounded over the 5 year period.</p> <p>The tenant has an option to renew on 2 occasions, each time specifying a lease term of 15, 20 or 25 years.</p> <p>The tenant has a right of pre-emption to purchase the 125 year leasehold interest if the leaseholder decides to sell.</p>	£52,210,000
<b>TOTAL MARKET VALUE</b>			£320,650,000

## 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 New Ordinary Shares. This is not a comprehensive summary of all aspects of the taxation of the Shareholders and is not intended to constitute legal or tax advice.

The statements below replace paragraph 7 of Part 10 of the Registration Document. Prospective investors should also consider paragraphs 1 to 6 of Part 10 (“REIT Status and Taxation”) of the Registration Document, which summarises certain taxation aspects of the REIT Group.

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 shareholders in a REIT

*The following statements do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of 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 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 2019/2020 tax year.

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 with effect from 6 April 2020, non-resident companies are due to be brought within the charge to corporation tax (rather than income tax) on profits of a UK property business.

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.

Non-UK resident Shareholders should note that, from 6 April 2019, gains made on a disposal of shares in a REIT are due to be brought within the charge to UK capital gains tax (or UK corporation tax on chargeable gains, for corporation tax payers), subject to the availability of exemptions and reliefs (and assuming the REIT derives at least 75% of its value from UK land). This tax is due to apply irrespective of the size of a Shareholder's holding in the REIT. Only increases in value from 5 April 2019 are due to be brought within the charge.

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

***The comments in this paragraph 2.6 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).

## 2.7 **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 the Investment Adviser 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 3.5.1 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 3.5.3 below;

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; and

2.2.4 on 25 May 2018, the Company issued a further 64,356,435 Ordinary Shares pursuant to the Initial Issue in accordance with the Registration Document, Initial Securities Note and Initial Summary.

2.3 The Company’s issued and fully paid share capital as at 11 March 2019 (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	184,356,434	1,843,564.34

2.4 The Company’s issued and fully paid share capital immediately following Admission, and assuming 24,752,475 New Ordinary Shares are issued under the Issue, is expected to be as follows:

Class	Nominal value	Issued and fully paid	
		Number	Amount (£)
Ordinary Shares	£0.01 each	209,108,909	2,091,089.09

#### 2.5 Resolutions passed in connection with the Share Issuance Programme

The General Meeting was held on 21 May 2018 at which resolutions were passed such that:

2.5.1 the Directors of the Company 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 £1,500,000 in connection with the Initial Issue and the Share Issuance Programme, such authority to expire (unless previously revoked, varied or renewed) on 24 April 2019, 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 and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired; and

- 2.5.2 the Directors of the Company 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 (unless previously revoked, varied or renewed) on 24 April 2019, 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 and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

## 2.6 Resolutions passed at the AGM

The AGM was held on 6 November 2018 at which resolutions (the “AGM Resolutions”) were passed such that, *inter alia*:

- 2.6.1 the Directors were generally and unconditionally authorised in accordance with Section 551 of the Companies Act, in addition to the authority to allot Ordinary Shares granted pursuant to the authority referred to in paragraph 2.5.1 above, to exercise all the powers of the Company to allot:

2.6.1.1 Ordinary Shares up to a maximum aggregate nominal amount of £614,459; and

2.6.1.2 Ordinary Shares up to an aggregate nominal amount of £614,459 in connection with an offer by way of a rights issue 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 or any other matter,

such authority to expire on the earlier of the conclusion of the next annual general meeting of the Company and 6 February 2020;

- 2.6.2 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 2.6.1 above as if Section 561 of the Companies Act did not apply to any such allotment up to a nominal amount of £184,356, such authority to expire on the earlier of the conclusion of the next annual general meeting of the Company and 6 February 2020; and

- 2.6.3 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:

2.6.3.1 the maximum number of Ordinary Shares that may be acquired is 27,635,029;

2.6.3.2 the minimum price which may be paid for an Ordinary Share is £0.01;

2.6.3.3 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 and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case exclusive of all expenses); and

2.6.3.4 such authority will expire on the earlier of the conclusion of the next annual general meeting of the Company and 6 February 2020.

2.7 Save as disclosed in this Securities Note:

2.7.1 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 Issue), fully or partly paid, either for cash or for a consideration other than cash, to any person;

2.7.2 no person has preferential subscription rights for any share capital of any member of the REIT Group;

2.7.3 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;

2.7.4 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

2.7.5 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

2.8 All of the New Ordinary Shares to be issued pursuant to the Issue will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.

2.9 On Admission, existing Shareholders who do not participate in the Issue will suffer dilution of 12 per cent. of their interest in the Company, assuming the Company issues 24,752,475 New Ordinary Shares under the Issue. Assuming the maximum number of New Ordinary Shares available under the Share Issuance Programme are issued under the Issue (being 85,643,565 New Ordinary Shares), Existing Shareholders will suffer a dilution of 32 per cent. to their existing percentage holdings.

### **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 Takeover Panel.

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 11 March 2019 (being the last practicable date prior to publication of this Securities Note) and immediately following Admission:

Director	As at 11 March 2019		Immediately following Admission	
	Number of Ordinary Shares	% of voting share capital	Number of Ordinary Shares)	% of voting share capital
Nick Hewson	380,000	0.20	380,000	0.20
Vincent Prior	55,431	0.03	55,431	0.03
Jon Austen	99,000	0.05	99,000	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 11 March 2019 (being the last practicable date prior to publication of this Securities Note) 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 11 March 2019	
	Number of Ordinary Shares	% of voting share capital
Quilter Cheviot Investment Management	25,312,896	13.73
Miton Asset Management	14,436,828	7.83
Smith & Williamson Investment Management	13,929,734	7.56
Premier Fund Management	13,735,863	7.45
BMO Global Asset Management	13,417,500	7.28
West Yorkshire Pension Fund	12,066,791	6.55
Canaccord Genuity Wealth Management	10,960,207	5.95
TR Property Investment Trust	9,782,500	5.31
River & Mercantile Asset Management	9,425,280	5.11
Ruffer	9,242,502	5.01
Charles Stanley	6,785,799	3.68

- 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 11 March 2019 (being the last practicable day prior to publication of this Securities Note) 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.

- 8.3 The Valuer has given and has not withdrawn its written consent to the inclusion of its valuation report in this Securities Note in the form and context in which it appears, and has authorised the contents of those parts of this Securities Note which comprise its valuation report and the said reference for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules.
- 8.4 The Investment Adviser accepts responsibility for and has authorised the inclusion (in the form and context in which it is included) of the information contained in paragraph 3 of part 7 of this Securities Note, and declares that, having taken all reasonable care to ensure that such is the case, the information contained in paragraph 3 of Part 7 of this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## **9 General**

- 9.1 The actual net proceeds of the 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 Issue will depend on the number of New Ordinary Shares issued under the Issue, the issue price of such New Ordinary Shares, and the aggregate costs and commissions of the Issue. However, assuming that the Issue is fully subscribed for and the Company increases the size of the Issue to the maximum number possible under the Share Issuance Programme, 85,643,565 New Ordinary Shares would be issued at a price equal to the Issue Price and the total net proceeds of the Issue would be approximately £84.7 million.

## **10 Documents available for inspection**

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

Dated: 12 March 2019

## 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 26 March 2019 (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; (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 New 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 Ordinary Shares or 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, 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 marked 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 REALES 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.

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 (an “**Application**”) must be made on the Application Form attached at Part 13 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 Registrar to be bound by these terms and conditions as being the terms and conditions upon which New Ordinary Shares will be issued and sold under the Offer for Subscription. An Investor shall, without limitation, become so bound if 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 26 March 2019 (or such later time and/or date as the Company and Stifel may agree, being not later than 3.00 p.m. on 16 April 2019); and
  - 2.1.2 the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before Admission.
- 2.2 To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not exercise any remedy of rescission, termination or withdrawal at any time after acceptance. This does not affect any other rights such Investor may have.

#### 3 Payment for New Ordinary Shares

- 3.1 Each Investor undertakes to pay the Issue Price in full for the New Ordinary Shares issued under the Offer for Subscription to such Investor in such manner as shall be directed by Stifel. Liability for stamp duty and SDRT is described in the section entitled “**Stamp Duty and Stamp Duty Reserve Tax**” contained in paragraph 2.6 of Part 9 (“**Taxation**”) of this Securities Note. The Company will not charge Investors any separate costs, expenses or taxes in connection with the Issue. The Company will bear the costs and expenses of the Issue.
- 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 21 March 2019, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, as agent of the Company and upon instruction from the Company, reject the relevant Application, in which event the monies submitted in respect of that Application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).
- 3.8 All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom 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 – 2019 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 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 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 Issue or its acceptance of participation in the 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; and
- 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.

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## PART 13

### 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 12 March 2019 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  DVP  
(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)	Telephone number

Mr, Mrs, Miss or Title	Forenames (in full)
Surname/Company Name	
Address (in full)	
Date of birth	
Designation (if any)	Telephone number



Mr, Mrs, Miss or Title	Forenames (in full)
Surname/Company Name	
Address (in full)	
Date of birth	
Designation (if any)	Telephone number

#### 4 CREST details

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

CREST Participant ID:

CREST Member Account ID:

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

Execution by individuals:

First Applicant Signature		Date	
Second Applicant Signature		Date	
Third Applicant Signature		Date	
Fourth Applicant Signature		Date	

Execution by a company:

Executed by (Name of Company):		Date	
Name of Director:		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 – 2019 OFS A/C**". Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man and must bear the appropriate sort code in the top right hand corner.

### (b) *CREST Settlement*

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

Trade date: 22 March 2019

Settlement date: 26 March 2019

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 26 March 2019.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle DVP will still need to complete and submit a valid Application Form to be received by no later than 11.00 a.m. on 21 March 2019. You should tick the relevant box in section 2.

Applicants will also need to ensure that their settlement instructions have been input to Link Asset Services' Participant account (RA06) by no later than 11.00 a.m. on 26 March 2019. 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 Issue have been satisfied.

## 7 Anti-Money Laundering

### **PLEASE NOTE**

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whilst Link may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the Sterling equivalent of €15,000 (currently approximately £13,000).



Link will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an 'enquiry footprint' – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-Money Laundering Checks appear as an enquiry/soft search on the investors credit report. The report may contain a note saying "Identity Check to comply with Anti Money Laundering Regulations".

## 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 March 2019.**

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 or settlement via CREST.

### 3 Holder details

Fill in (in block capitals) the full name(s) of each holder, date of birth and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the 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 – 2019 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 Ordinary Shares to be made prior to 11.00 a.m. on 21 March 2019 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by Link Asset Services.

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

Trade Date: 22 March 2019

Settlement Date: 26 March 2019

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 26 March 2019.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle DVP will still need to complete and submit a valid Application Form to be received by no later than 11.00 a.m. on 21 March 2019. You should tick the relevant box in section 2.

Applicants will also need to ensure that their settlement instructions have been input to Link Asset Services' Participant account (RA06) by no later than 11.00 a.m. on 26 March 2019. 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.

## **7 Anti-Money Laundering**

### **PLEASE NOTE**

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whilst Link may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the Sterling equivalent of €15,000 (currently approximately £13,000).

Link will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an 'enquiry footprint' – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-Money



Laundering Checks appear as an enquiry/soft search on the investors credit report. The report may contain a note saying "Identity Check to comply with Anti Money Laundering Regulations".

## PART 14

### TAX RESIDENCY SELF-CERTIFICATION FORM

Tax Residency Self-Certification Form (Individuals) <i>A separate form is required for each holder</i>	
<b>Company that shares are held in: *</b>	SUPERMARKET INCOME REIT PLC
<b>Investor code *</b>	
<b>Name: *</b>	
<b>Registered Address: *</b> <i>If your address has changed, then you will need to notify us separately. See the questions and answers.</i>	
<b>Tax Residence Address</b> <i>Only if different to your registered address above.</i>	
<b>Date of Birth*</b> <i>(DD/MM/YYYY)</i>	
Country/Countries of Residence for Tax Purposes	
Country of residence for tax purposes	Tax Identification Number <i>In the UK this would be your NI number</i>
<b>1 *</b>	<b>1 *</b>
<b>2</b>	<b>2</b>
<b>3</b>	<b>3</b>
<b>4</b>	<b>4</b>
<b>US Citizen</b> Please mark the box ONLY if you are a US Citizen (see Definitions) <span style="float: right;"><input type="checkbox"/></span>	
<b>Declarations and Signature</b> 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.  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.  I certify that I am the shareholder (or I am authorised to sign for the shareholder**). 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.  I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.	
<b>Signature: *</b>	
<b>Print Name: *</b>	
<b>Date: *</b>	
<b>Daytime telephone number / email address **</b>	

\* Mandatory field

\*\* 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 the account holders 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 registered address (or name) has changed, 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 all 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 Link holds the shares on your behalf, the person whose name appears on the register of entitlement that Link 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 Citizen”**

- 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.

**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.**

#### **QUESTIONS & ANSWERS**

##### **Why are you writing to me and asking for a “Tax Residency Self Certification”?**

The governments of more than 90 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information (“AEOI”). The full list of countries involved can be seen at: [www.oecd.org/tax/transparency/AEOI-commitments.pdf](http://www.oecd.org/tax/transparency/AEOI-commitments.pdf)

Additionally, the United States has over 100 similar agreements with many countries referred to as the ‘Foreign Account Tax Compliance Act’.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a “Tax Residency Self Certification” form.
- Obtain a “Tax Residency Self Certification” form for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a “Tax Residency Self Certification” form.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution’s “local” tax authority on an annual basis. As an example for a company incorporated in the UK, then the local tax authority would be HM Revenue & Customs (HMRC).
- Follow up on any non-responders at least annually for at least 3 years.

The “local” tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example the tax authority in the US is the Inland Revenue Service (“IRS”), so HMRC will exchange information with IRS.

##### **Where can I find out more information about the legislation?**

The legislation is quite complex and you may wish to speak to your tax adviser.

The web site of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the web site of The Organisation for Economic Co-operation and Development (OECD) gives further information.

##### **What happens if I do not complete the form?**

In the annual report that the Financial Institution sends to their local tax authority you will be shown as ‘Undocumented’.

The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Link is not able to comment on what action the tax authority for the jurisdiction will take.



**What if I am a Tax Resident in 2 or more countries?**

The self-certification form allows for up to 4 tax residencies to be recorded.

**I do not pay tax or I do not know which country I am tax resident in**

Please refer to your local tax authority or tax adviser.

**I do not have a tax identification number**

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

**I have already completed a W8 or W9 form. Do I still need to complete a “Tax Residency Self Certification”?**

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

**What is classed as my Tax Residence Address?**

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; Your residential home address in a country and unrestricted right of entry back into that country once you depart.

**Joint Holders**

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self Certification and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self-certification for each joint shareholder, the whole shareholding will be treated as “undocumented” and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

**Can I use the Self Certification Form to change the registered address?**

No. If your address has changed, then you must advise Link Asset Services separately.

A change of address form can be downloaded from: [www.linkassetservices.com](http://www.linkassetservices.com)

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.

**Can I use the Self Certification Form to advise of a Change of Name?**

No. You must advise Link Asset Services separately.

For more information, see [www.linkassetservices.com](http://www.linkassetservices.com)

**Can I use the Self Certification Form to advise of a Change of Name?**

No. You must advise Link Asset Services separately.

For more information, see [www.linkassetservices.com](http://www.linkassetservices.com)

**Can I use the Self Certification Form to advise of the death of a holder, or registration of a power of Attorney?**

No. You must advise Link Asset Services separately. For more information, see [www.linkassetservices.com](http://www.linkassetservices.com)

**How do I contact Link Asset Services, to advise of a change of address or any other changes to my account?**

Share Holder Portal: [www.linkassetservices.com](http://www.linkassetservices.com)

Telephone: 0871 664 0300  
+44 (0) 371 664 0300 (international)

Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Address: PO Box 518, Darlington, DL1 9XP, United Kingdom

**I would like future dividends paid into a different bank account**

Contact Link Asset Services. For more information, see [www.linkassetservices.com](http://www.linkassetservices.com)

**I have given a different address for tax purposes, will the registered address of my share holding be altered?**

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment then you need to inform Link Asset Services. For more information, see [www.linkassetservices.com](http://www.linkassetservices.com)

**I have recently sold all of the shares, do I still need to complete a Self-Certification form?**

Yes. Your account will be reportable in the current year, but will cease to be reportable in subsequent years.



## PART 15

### GLOSSARY OF TERMS AND DEFINITIONS

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

“Admission”	the admission of the New Ordinary Shares to trading on the SFS becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards;
“Admission and Disclosure Standards”	the requirements contained in the publication “Admission and Disclosure Standards” issued by the London Stock Exchange (as amended from time to time) containing, <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;
“AGM”	the annual general meeting of the Company held on 6 November 2018;
“Application Form”	the application form in respect of the Offer for Subscription attached at Part 13 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
“C&W”	DTZ Debenham Tie Leung Limited (trading as Cushman & Wakefield);
“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);
“CRS”	the Common Reporting Standard;
“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
“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 date of this Securities Note;
“FATCA”	the US Foreign Account Tax Compliance Act of 2010;
“FCA”	the UK Financial Conduct Authority (or any successor regulatory organisation)
“FSMA”	the Financial Services and Markets Act 2000, as amended

“Gross Issue Proceeds”	the gross proceeds of the Issue;
“HMRC”	Her Majesty’s Revenue and Customs;
“IFRS”	International Financial Reporting Standards as adopted by the European Commission for use in the European Union;
“ISIN”	International Securities Identification Number;
“Initial Issue”	the placing and offer for subscription of Ordinary Shares on 25 May 2018 on the terms of the Initial Securities Note and Initial Summary;
“Initial Securities Note”	the securities note published in connection with the Initial Issue dated 25 April 2018 approved by the FCA;
“Initial Summary”	the summary published in connected with the Initial Issue dated 25 April 2018 approved by the FCA;
“Issue”	the Placing and Offer for Subscription;
“Issue Price”	101 pence per New Ordinary Share, being the price at which each New Ordinary Share is to be issued pursuant to the 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;
“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 Issue Proceeds less applicable fees and expenses of the Issue;
“New Ordinary Shares”	the Ordinary Shares to be issued pursuant to the Issue;
“Offer for Subscription”	the offer for subscription of New Ordinary Shares at the Issue Price on the terms set out in this Securities Note;
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company;
“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 dated 25 April 2018;
“Portfolio”	the investment portfolio of the Company, details of which are set out in Part 7 of this Securities Note;
“Prospectus”	this Securities Note, the Registration Document and the 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 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;
“Registrar”	Link Asset Services;
“Registration Document”	the registration document dated 25 April 2018 approved by the FCA;
“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;
“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 share issuance programme implemented by the Company with effect from 25 April 2018;
“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 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 12 March 2019 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”);
“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.

