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Fidante Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and no one else. Fidante Capital will not regard any other person (whether or not a recipient of the attached Prospectus) as its client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to any transaction or arrangement referred to in the Prospectus.

You have been sent the Prospectus on the basis that you have confirmed that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person. You will not transmit the Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of Fidante Capital.

By accepting this e-mail, you shall be deemed to have represented to us that (1) you (a) are outside the United States and not a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933), Australia, Canada, Japan South Africa and any other jurisdiction where action would be required to permit the distribution of the Prospectus or the offer or sale of the securities described therein to you; (b) ordinarily reside outside the United States, Australia, Canada, Japan, South Africa and each such jurisdiction; and (2) you consent to delivery of the Prospectus by electronic transmission.

You should not reply by e-mail to this e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications will be ignored or rejected.

The distribution of any information herein, and the offer, sale and delivery of any securities described herein in certain jurisdictions may be restricted by law. There shall be no sale of these securities in any state or jurisdiction in which an offer, solicitation or sale would be unlawful prior to qualification under the securities laws of such state or jurisdiction.

AEW UK LONG LEASE REIT PLC

Share Issuance Programme of up to 300 million Shares

**(including the Initial Placing and the Initial Offer for
Subscription and the Intermediaries Offer)**

Investment Manager

AEW UK Investment Management LLP

Sponsor, Financial Adviser and Sole Bookrunner



SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
Element	Disclosure Requirement	Disclosure
A.1.	Warning	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in Shares should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2.	Subsequent resale or final placement of securities through financial intermediaries	<p>The Company consents to the use of the Prospectus by financial intermediaries in connection with the subsequent resale or final placements of securities by financial intermediaries.</p> <p>The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the Prospectus is given commences on 17 May 2017 and closes at 2.00 p.m. on 31 May 2017, unless closed prior to that date.</p> <p>Any intermediary that uses the Prospectus must state on its website that it uses the Prospectus in accordance with the Company’s consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such intermediary.</p> <p>Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</p>
Section B – Issuer		
Element	Disclosure Requirement	Disclosure
B.1.	Legal and commercial name	AEW UK Long Lease REIT plc.
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 18 April 2017 with registered number 10727886 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.

B.5.	Group description	The Company has a wholly owned subsidiary, AEW UK Long Lease REIT 2017 Limited, which was incorporated in England and Wales on 4 May 2017. Save for AEW UK Long Lease REIT 2017 Limited, the Company has no subsidiaries or subsidiary undertakings.
B.6.	Major shareholders	As at 16 May 2017 (the latest practicable date prior to the publication of the Prospectus), insofar as is known to the Company, there are no parties who have a notifiable interest under English law in the Company's capital or voting rights. Pending the allotment of Shares pursuant to the Initial Issue, the Company is controlled by the Investment Manager. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
B.7.	Key financial information	Not applicable. No key financial information as the Company is yet to commence operations.
B.8.	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information is contained in the Prospectus.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate made.
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable.
B.11.	Qualified working capital	Not applicable. The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of the Prospectus.
B.34.	Investment policy	<p>Investment Objective</p> <p>The Investment Objective is to generate a secure and predictable income return, sustainable in real terms, whilst at least maintaining capital values, in real terms, through investment in a diversified portfolio of UK properties, predominately in alternative and specialist sectors.</p> <p>Investment Policy</p> <p>In order to achieve the Investment Objective, the Company will invest in freehold and long leasehold properties across the whole spectrum of the UK property sector, but with a focus on alternative and specialist real estate sectors. Examples of alternative and specialist real estate sectors include, but are not limited to, leisure, hotels, healthcare, education, logistics, automotive, supported living and student accommodation.</p> <p>The Company intends to achieve a diversified portfolio across both properties and tenants. The Company will focus on properties that can generate predictable income streams through long-leases and have contractual exposure to inflation rates at the time of investment.</p> <p>Within the scope of the restrictions set out below (under the heading "Investment Restrictions") the Company may invest up to 10 per cent. of the Gross Asset Value (measured at the point of capital commitment) in development opportunities, with the intention of holding any completed development as an investment. Such opportunities, where undertaken, are likely to be forward funding development commitment and/or pre-leased</p>

		<p>development as part of an asset repositioning. Speculative development, being where pre-leases have not been secured for at least 75 per cent. of the space, will not be permitted.</p> <p>In the event of a breach of the Investment Policy or the investment restrictions set out below, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the Investment Manager will look to resolve the breach.</p> <p>Any material change to the Investment Policy or investment restrictions of the Company may only be made with the prior approval of Shareholders.</p> <p>Investment Strategy</p> <p>The Company will focus on properties which can deliver a secure income and preserve capital value, with an attractive entry yield. The Company will have an emphasis on alternative and specialist property sectors to access the attractive value and capital preservation qualities which such sectors currently offer.</p> <p>The Company intends to supplement this core strategy with active asset management initiatives to re-gear certain mid-life leased properties.</p> <p>Permitted sectors will include, but are not limited to the following, subject at all times to the Investment Manager's assessment of their appeal and specific asset investment opportunities:</p> <ul style="list-style-type: none"> ● Healthcare; ● Leisure; ● Hotels and serviced apartments; ● Education; ● Automotive; ● Car parks; ● Residential; ● Supported living; ● Student accommodation; ● Logistics; ● Storage; ● Communications; ● Supermarkets; ● Offices (subject to the limitation on traditional sector exposures below); ● Shopping centres (subject to the limitation on traditional sector exposures below); ● Retail and retail warehouses (subject to the limitation on traditional sector exposures below); and ● Industrial (subject to the limitation on traditional sector exposures below). <p>The Company will not be permitted to invest in land assets, including development land which does not have a development agreement attached, agriculture or timber.</p> <p>In the current market environment the focus will be to invest in properties to construct a portfolio with the following minimum targets:</p> <ul style="list-style-type: none"> ● a weighted average unexpired lease term, at the time of investment, in excess of 18 years; ● at least 85 per cent. of the gross passing rent will have leases with rent reviews linked to inflation (RPI or CPI) at the time of investment; ● investment in properties which typically have a value, at the time of investment, of between £2 million and £30 million;
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		derivatives at the time of investment will not exceed, in aggregate, 20 per cent. of Gross Asset Value.
B.35.	Borrowing limits	The Company intends to utilise borrowings to enhance returns over the medium term. Borrowings will be utilised on a limited recourse basis for each investment on all or part of the total Portfolio and will not exceed 40 per cent. of Gross Asset Value (measured at drawdown) of each relevant investment or of the Portfolio. It is currently anticipated that the level of total borrowings will typically be at the level of 30 per cent. of Gross Asset Value (measured at drawdown).
B.36.	Regulatory status	<p>The Company is not regulated as a collective investment scheme by the FCA but is subject to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR.</p> <p>As a REIT, the Shares are “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments.</p> <p>The Company operates as an externally managed alternative investment fund, with the Investment Manager being the Company’s AIFM.</p>
B.37.	Typical investor	An investment in the Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable financially sophisticated non-advised private investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.
B.38.	Investment of 20 per cent. or more in a single underlying issuer or investment company	Not applicable. The Company will not invest 20 per cent. of Gross Asset Value or more in a single underlying issuer or investment company.
B.39.	Investment of 40 per cent. or more in another collective investment undertaking	Not applicable. The Company will not invest 40 per cent. or more of Gross Asset Value in another collective investment undertaking.
B.40.	Applicant’s service providers	<p><i>Investment Manager</i></p> <p>AEW UK Investment Management LLP has been appointed investment manager to the Company. Under the terms of the Investment Management Agreement, the Investment Manager is responsible for the day to day discretionary management of the Company’s investments subject to the Investment Objective and Investment Policy and the overall supervision of the Directors.</p> <p>The Investment Manager is entitled to receive a management fee in respect of its services of 0.75 per cent. per annum of NAV (excluding uninvested proceeds from the Share Issuance Programme or any subsequent fundraising).</p> <p>The Investment Management Agreement may be terminated by the Company or the Investment Manager giving 12 months’ notice, such notice not to be given earlier than the first anniversary of Initial Admission.</p> <p><i>Administrator</i></p> <p>Capita Sinclair Henderson Limited has been appointed administrator of the Company. Under the terms of the Administration Agreement, the Administrator is responsible for the maintenance of the books and financial</p>

		<p>accounts of the Company and the calculation of the NAV and NAV per Share. The Administrator is currently entitled to receive a fee of £75,000 (exclusive of VAT) per annum. In addition, the Administrator is entitled to a fee of £8,000 (exclusive of VAT) per annum in respect of tax-related work and payroll for the Directors' fees. Fees are subject to annual increase in line with RPI.</p> <p><i>Property Manager</i></p> <p>Workman LLP has been appointed property manager to the Company. Under the terms of the Property Management Agreement, the Property Manager is responsible for providing property management services to the Company in relation to the Portfolio. The Property Manager is entitled to: (i) a fee of 0.325 per cent. of annual rents received (in respect of single let properties); (ii) fees capped at between eight per cent. and ten per cent. of annual service charges (in respect of multi-let properties); and (iii) a nominal charge (in respect of vacant buildings).</p> <p><i>Company Secretary</i></p> <p>Capita Company Secretarial Services Limited has been appointed company secretary to the Company. Under the terms of the Company Secretarial Agreement, the Company Secretary is responsible for providing company secretarial services to the Company including, but not limited to, the maintenance of the Company's statutory books. The Company Secretary is entitled to receive a fee of £50,000 per annum (exclusive of VAT) in addition to a fee of £1,750 (exclusive of VAT) in respect of services provided to the subsidiary of the Company.</p> <p><i>Depositary</i></p> <p>Langham Hall UK Depositary LLP has been appointed depositary to the Company. Under the terms of the Depositary Agreement, the Depositary is responsible for setting up and maintaining the securities record and safe custody of the Company's investments. The Depositary is entitled to receive a fee of £35,000 plus an additional fee of 0.3 bps on any funds in excess of £150 million per annum (exclusive of VAT).</p> <p><i>Registrar</i></p> <p>Computershare Investor Services PLC has been appointed registrar of the Company. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account per annum, subject to a minimum annual fee. The Registrar is also entitled to activity fees under the Registrar Agreement.</p> <p><i>Valuer</i></p> <p>Knight Frank has been appointed valuer of the Company. The Valuer is entitled to receive a fee of 0.03 per cent. of the aggregate Fair Value (as such term is defined in the Red Book) per annum excluding VAT, to be invoiced quarterly.</p> <p><i>Audit services</i></p> <p>KPMG LLP has been appointed to provide audit services to the Group.</p>
B.41.	Regulatory status of investment manager and custodian	The Investment Manager and the Depositary are authorised and regulated by the FCA.
B.42.	Calculation of Net Asset Value	The Net Asset Value (and Net Asset Value per Share) is calculated quarterly by the Administrator (and reviewed by the Company). Calculations are made in accordance with IFRS. Details of each quarterly valuation, and of any suspension in the making of such valuations, are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. The quarterly valuations of the Net Asset Value (and Net Asset Value per Share) are calculated on the basis of the most recent quarterly independent valuation of the Company's properties.

		<p>The first calculation of the Net Asset Value will be conducted as at 30 September 2017 as there will be no property valuations prior to this date.</p> <p>The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Administrator) which prevents the Administrator from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.</p>
B.43.	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44.	No financial statements have been made up	The Company has not commenced operations and no financial statements have been made up as at the date of this document.
B.45.	Portfolio	Not applicable. The Company is newly incorporated and does not currently hold any assets.
B.46.	Net Asset Value	The Net Asset Value per Share at Initial Admission will be 98 pence.
Section C – Securities		
Element	Disclosure Requirement	Disclosure
C.1.	Type and class of securities	<p>The Company intends to issue up to 300 million Shares pursuant to the Share Issuance Programme. The Initial Issue (comprising the Initial Placing, the Initial Offer for Subscription and the Intermediaries Offer) has a target size of £150 million.</p> <p>The ISIN of the Shares is GB00BDVK7088 and the SEDOL is BDVK708.</p> <p>The ticker for the Company is AEWL.</p>
C.2.	Currency	Sterling.
C.3.	Issued Shares	<p>The actual number of Shares to be issued pursuant to the Initial Issue, and therefore the Initial Gross Proceeds are not known as at the date of the Prospectus but will be notified by the Company via a Regulatory Information Service announcement prior to Initial Admission.</p> <p>The issued share capital of the Company as at the date of this document is one Share and 50,000 Restricted Shares (which were issued to enable the Company to be granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers and will be redeemed at par immediately following Initial Admission). The shares are fully paid up.</p>
C.4.	Description of the rights attaching to the securities	The Shares to be issued pursuant to the Initial Issue and each Tranche of the Share Issuance Programme will rank in full for all dividends and distributions declared, made or paid after their issue and otherwise <i>pari passu</i> in all respects with each existing Share then in issue and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Share, as set out in the Articles.
C.5.	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares.

C.6.	Admission	Applications will be made to the UKLA and the London Stock Exchange respectively for the Shares to be issued pursuant to the Initial Issue and each Tranche of the Share Issuance Programme to be admitted to the premium listing segment of the Official List and to trading on the Main Market.
C.7.	Dividend policy	<p>Whilst not forming part of the Investment Objective or Investment Policy the Company will, once fully invested and levered, target an annual dividend of 5.5 pence per Share, with an ambition to grow in future years by the rate of UK inflation.</p> <p>The Company intends that the net proceeds of the Initial Issue will be invested as rapidly as practicable following Initial Admission. The Investment Manager expects that the Company will be substantially fully invested within nine months following Initial Admission and will remain substantially fully invested thereafter.</p> <p>Subject to market conditions, the financial position of the Company and the investment outlook, it is the Directors' intention to pay quarterly dividends to Shareholders. Whilst not forming part of the Investment Objective or Investment Policy and assuming that the net proceeds of the Initial Issue are invested in accordance with the intended timetable described above, the Company will seek to target the following dividend payments:</p> <ul style="list-style-type: none"> • dividends totaling at least 3.25 pence per Share in respect of the period from Initial Admission to the first financial year end; and • dividends totaling 5.5 pence per Share per annum in respect of subsequent financial periods with an ambition to grow in future years by the rate of inflation. <p>The Company intends to declare dividends in January, April, July and October of each year to be paid the following month. The Company intends to declare its first interim dividend in October 2017, to be paid in November 2017. On the basis of the expected investment period the Company is targeting the following dividends in respect of the first three quarters following Initial Admission:</p> <ul style="list-style-type: none"> • Initial Admission to 30 September 2017 – 0.5 pence per Share; • 1 October 2017 to 31 December 2017 – 0.5 pence per Share; and • 1 January 2018 to 31 March 2018 – 1 pence per Share. <p>The dividend for the quarter ending 30 June 2018 will be dependent on the speed of deployment of the net proceeds of the Initial Issue. In respect of the period commencing 1 July 2018 and subsequent periods, it is intended that the Company will declare a quarterly dividend of at least 1.375 pence per Share.</p> <p>In order to comply with and maintain REIT status, the Group will be required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits of the Property Rental Business for each accounting period, as adjusted for tax purposes.</p> <p>Investors should note that the figures in relation to dividends set out above and elsewhere are for illustrative purposes only and are not intended to be, and should not be taken as, a profit forecast or estimate. Actual returns cannot be predicted and may differ materially from these illustrative figures. There can be no assurance that they will be met or that any dividend growth will be achieved.</p>

Section D – Risks

Element	Disclosure Requirement	Disclosure
D.1.	Key information on the key risks that are specific to the Company or its industry	<p>The Company may be unable to make acquisitions</p> <p>Although the Company, acting on advice from the Investment Manager, has identified a number of available properties that are consistent with its investment objective and investment policy there can be no certainty that the Company will be able to acquire these or other properties on acceptable terms or at all.</p> <p>The Company will face competition from other property investors. Competitors may have greater financial resources than the Company and a greater ability to borrow funds to acquire properties. Competition in the property market may also lead either to an oversupply of properties in the target market through over development or the price of existing properties being driven up through competing bids by potential purchasers.</p> <p>Any delays in deployment of the net proceeds from the Share Issuance Programme may have an impact on the Company’s results of operations, cash flows and the ability of the Company to pay dividends to Shareholders and to achieve the stated target dividend return and therefore to achieve its return objective.</p> <p>Portfolio concentration risk</p> <p>Although the Company will seek to invest in a diversified portfolio of UK properties, predominately in alternative and specialist sectors, all of the Company’s assets will, once the Company is fully invested, be invested in UK property. Consequently, any downturn in the UK and its economy or regulatory changes in the UK could have a material adverse effect on the Company’s results of operations or financial condition. Greater concentration of investments in any sector or exposure to the creditworthiness of any one tenant or tenants may lead to greater volatility in the value of the Company’s investments and the NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.</p> <p>The Company’s due diligence may not identify all risks and liabilities in respect of an acquisition</p> <p>Prior to entering into an agreement to acquire a property the Company will perform due diligence on the property concerned and any existing tenants. In doing so it would typically rely on third parties to conduct a significant portion of this due diligence (including legal reports on title, property valuations and credit reports of any tenants). To the extent that such third parties underestimate or fail to identify risks and liabilities (including any environmental liabilities) associated with the property in question, the Company may be affected by defects in title, or exposed to environmental, structural or operational defects requiring remediation, or may be unable to obtain necessary permits or permissions, or suffer one or more tenant defaults, which may have a material adverse effect on the Company’s profitability, the Net Asset Value and the price of Shares.</p> <p>A due diligence failure may also result in properties that are acquired failing to perform in accordance with projections, particularly as to rent and occupancy, which may have a material adverse effect on the Company’s profitability, the Net Asset Value and the price of Shares.</p> <p>UK exit from the European Union</p> <p>A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU (“Brexit”). The extent of the impact of Brexit on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit and the extent to which the UK</p>

	<p>continues to apply laws that are based on EU legislation. The Company may be subject to a significant period of uncertainty in the period leading up to eventual Brexit including, <i>inter alia</i>, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of an eventual Brexit on the value of investments in the UK real estate sector and, by extension, the value of the investments in the Company's eventual investment portfolio, is unknown. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the Net Asset Value and the price of the Shares. As such, it is not possible to accurately state the impact that Brexit will have on the Company and its proposed investments at this stage. Brexit may also make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Company. This could restrict the Company's future activities and thereby negatively affect returns.</p> <p>Tenant default</p> <p>Dividends payable by the Company are dependent on the income generated from the properties it owns. Failure by tenants to comply with their rental obligations could affect the ability of the Company to pay dividends to Shareholders.</p> <p>The Company's investments will be illiquid and may be difficult or impossible to realise at a particular time</p> <p>The Company will invest in commercial properties. Such investments are illiquid; they may be difficult for the Company to sell and the price achieved on any realisation may be at a discount to the prevailing valuation of the relevant property, which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of Shares.</p> <p>The property market</p> <p>Any property market recession or future deterioration in the property market could, <i>inter alia</i>,: (i) make it harder for the Company to attract new tenants for its properties, (ii) lead to an increase in tenant defaults; (iii) lead to a lack of finance available to the Company; (iv) cause the Company to realise its investments at lower valuations; and (v) delay the timings of the Company's realisations. Any of the foregoing could have a material adverse effect on the ability of the Company to achieve its investment objective, on the Net Asset Value and on the price of the Shares.</p> <p>Real estate development may incur more cost and time than expected</p> <p>To the extent that the Company invests in property developments it will be subject to the risks normally associated with property development. These risks include, without limitation, risks relating to the availability and timely receipt of planning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Company, such as weather or labour conditions or material shortages), general market and letting risk, and the availability of both construction and permanent financing on favourable terms. These risks could result in substantial unanticipated delays or expense and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of Shares.</p> <p>The rate of inflation may exceed the contractual limits in rent review provisions of the Company's leases.</p> <p>The Company will focus on properties that can generate predictable income streams through long-leases and have contractual exposure to inflation rates at the time of investment. In the current market environment, the Company's focus will be to invest in properties to construct a portfolio with, <i>inter alia</i>, at least 85 per cent. of the gross passing rent having leases with rent reviews linked to inflation (RPI or CPI) at the time of investment. Rent review provisions in such leases may have contractual limits to the increases that may be made as a result of the rate of inflation (typically between 1 per cent. and 4 per cent. of the gross passing rent) and, if inflation is in excess of such</p>
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		<p>contractual limits, the Company may not be able to deliver the targeted returns to Shareholders. Any such failure may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Shares and the Group's ability to meet interest and capital repayments on any debt facilities.</p> <p>Property valuation is inherently subjective and uncertain</p> <p>Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and there can be no assurance that the estimates resulting from the valuation process will reflect actual sales prices that could be realised by the Company in the future. The Administrator will rely on the latest available property valuations provided by the Company's independent valuer in calculating the Net Asset Value.</p> <p>If the Group fails to remain a REIT for UK tax purposes, its profits and gains will be subject to UK corporation tax</p> <p>Minor breaches of certain conditions within the REIT regime may only result in additional tax being payable or may not be penalised if remedied within a given period of time, provided that the regime is not breached more than a certain number of times. A serious breach of these regulations may lead to the Group ceasing to be a REIT. If the Company or the Group fails to meet certain of the statutory requirements to maintain its status as a REIT, it may be subject to UK corporation tax on its property rental income profits and any chargeable gains on the sale of some or all properties. This could reduce the reserves available to make distributions to Shareholders and the yield on the Shares. In addition, incurring a UK corporation tax liability might require the Company and the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Group's REIT status is withdrawn altogether because of its failure to meet one or more REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred.</p> <p>Availability of borrowings and the gearing effect of borrowing can work against as well as for Shareholders.</p> <p>The Company intends to secure borrowing facilities in the future to pursue the Company's investment objective. It is not certain that such facilities will be available on acceptable terms or at all. Any amounts that are secured under a bank facility are likely to rank ahead of Shareholders' entitlements and accordingly should returns derived from the Company's investments not be sufficient to cover the costs and liabilities of such borrowings, on a liquidation of the Company, Shareholders may not recover their initial investment and in certain circumstances may lose their entire investment. The Company will at all times meet its objective of spreading investment risk; however, an inability to borrow at levels or on terms acceptable to the Board could require cash to be retained to fund future asset management initiatives and therefore could affect Shareholders' returns accordingly.</p> <p>Whilst the use of borrowings should enhance the NAV per Share where the value of the Company's investments are rising, it will have the opposite effect where the value of the Company's investments are falling. In addition, in the event that rental income from the Company's investments falls (for example as a result of defaults by tenants) the use of borrowings will increase the impact of such falls on the net revenue of the Company and this in turn will have an adverse effect on the Company's ability to pay dividends.</p>
D.3.	Key information on the key risks that are specific to the Shares	<p>The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share</p> <p>The Shares may trade at a discount to NAV per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and</p>

		<p>investment policy, an excess of supply over demand in the Shares or to the extent investors undervalue the advisory activities of the Investment Manager or to the extent investors discount the valuation methodology and judgments made by the Company. While the Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.</p> <p>The value and/or market price of the Shares may go down as well as up</p> <p>Prospective investors should be aware that the value and/or market price of the Shares may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.</p> <p>The Company may in the future issue new equity, which may dilute Shareholders' voting rights</p> <p>The Company may seek to issue new equity in the future pursuant to the Share Issuance Programme or otherwise. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied, and have been disapplied in relation to the maximum amount of Shares that may be issued pursuant to the Share Issuance Programme. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.</p> <p>Future sales of Shares could cause the market price of the Shares to fall</p> <p>Sales of Shares or interests in Shares by significant investors could depress the market price of the Shares. A substantial number of Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Shares at a time and price that they deem appropriate.</p>
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Section E – Offer

Element	Disclosure Requirement	Disclosure
E.1.	Proceeds and expenses	The total net proceeds of the Share Issuance Programme (including the Initial Issue) will depend on the number of Shares issued throughout the Share Issuance Programme, the issue price of such Shares, and the aggregate costs and commissions for each Tranche. However, the aggregate costs and commissions of each Tranche will be fixed at a level of 2 per cent. of the gross issue proceeds of each Tranche.
E.2.a.	Reason for offer and use of proceeds	<p>The Share Issuance Programme (including the Initial Issue) is being undertaken in order to raise funds for the purpose of investment in accordance with the investment objective and investment policy of the Company.</p> <p>The proceeds from the Share Issuance Programme (including the Initial Issue) will be utilised by the Group to fund future investments in accordance with the Group's investment policy and for general corporate purposes.</p>
E.3.	Terms and conditions of the offer	<p>The Company intends to issue up to 300 million Shares pursuant to the Share Issuance Programme. Shares will only be issued at times when the Company considers that suitable investments in accordance with the Company's investment policy will be capable of being secured.</p> <p>Following the Initial Issue the Share Issuance Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares on appropriate occasions over a period of time. The</p>

		<p>Share Issuance Programme is intended to satisfy market demand for the Shares and to raise further money for investment in accordance with the Company's investment policy.</p> <p>Subject to the requirements of the Listing Rules, the price at which each new Share will be issued pursuant to the Share Issuance Programme will be calculated by reference to the latest published Net Asset Value per Share.</p> <p>The Issue Price of the Shares to be issued under the Initial Issue is 100 pence per Share. The Initial Issue is conditional, <i>inter alia</i>, on Initial Admission of the Shares to be issued pursuant to the Initial Issue occurring by no later than 8.00 a.m. on 6 June 2017 (or such later date as Fidante Capital, the Investment Manager and the Company may agree, not being later than 8.00 a.m. on 31 July 2017).</p>
E.4.	Material interests	Not applicable. No interest is material to the Share Issuance Programme.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Shares as part of the Share Issuance Programme (including the Initial Issue).
E.6.	Dilution	Not applicable.
E.7.	Estimated Expenses charged to the investor by the issuer	<p>The Company will not charge investors any separate costs or expenses in connection with the Share Issuance Programme (including the Initial Issue). The costs and expenses (including commission) incurred by the Company in connection with the Initial Issue are expected to be £3 million (assuming £150 million is raised pursuant to the Initial Issue) and will be borne by the Company.</p> <p>The issue price of Shares issued pursuant to the Share Issuance Programme shall include a premium to the Net Asset Value per Share and the costs and expenses of such issue payable by subscribers (including placing commissions) will be borne out of such premium.</p>

THIS REGISTRATION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This Registration Document, the Securities Note and the Summary together constitute a prospectus (the "**Prospectus**") relating to AEW UK Long Lease REIT plc (the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made pursuant to section 73A of FSMA. A copy of the Prospectus has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at www.aeweuropa.com/en/Strategies/UK/LL-reit.html.

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

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

Potential investors should read the whole of this Registration Document, together with the Securities Note and the Summary and, in particular, their attention is drawn to the risk factors set out on pages 3 to 10 of this Registration Document and those set out in the Securities Note.

AEW UK LONG LEASE REIT PLC

(Incorporated in England and Wales with registered number 10727886 and registered as an investment company under Section 833 of the Companies Act)

REGISTRATION DOCUMENT

Investment Manager

AEW UK Investment Management LLP

Sponsor, Financial Adviser and Sole Bookrunner

Fidante Capital

Distribution Agent

Kepler Partners LLP

Fidante Partners Europe Limited (trading as Fidante Capital) ("**Fidante Capital**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no-one else in relation to the Share Issuance Programme, the Initial Issue and Initial Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Fidante Capital, nor for providing advice in connection with the Share Issuance Programme, the Initial Issue, Initial Admission, the contents of the Prospectus or any matters referred to therein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Fidante Capital 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, Fidante Capital does not accept any responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this Registration Document, including its accuracy or completeness, or for any other statement made or purported to be made by it, or on its behalf, the Company or any other person in connection with the Company, the Shares, the Initial Issue, the Share Issuance Programme or Initial Admission and nothing contained in this Registration Document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Fidante Capital (together with its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Registration Document or any such statement.

The Shares to be issued pursuant to the Share Issuance Programme (including the Initial Issue) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Shares to be issued pursuant to the Share Issuance Programme (including the Initial Issue) may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares to be issued pursuant to the Share Issuance Programme (including the Initial Issue) are being offered or sold only (i) outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder; and (ii) to persons that are "qualified institutional buyers" (as the term is defined in Rule 144A under the U.S. Securities Act) that are also "qualified purchasers" within the meaning of section 2(a) (51) of the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") in reliance on the exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Copies of this Registration Document, the Securities Note and the Summary (along with any Future Securities Note and Future Summary) will be available on the Company's website (www.aeweuropa.com/en/Strategies/UK/LL-reit.html) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm.

Dated: 17 May 2017

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RISK FACTORS

Investment in the Company should not be regarded as short term in nature and involves a high degree of risk. Accordingly, investors should carefully consider all of the information set out in this Registration Document, the Securities Note and the Summary (along with any Future Securities Note and Future Summary) and the risks attaching to an investment in the Company.

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

RISKS RELATING TO THE COMPANY, ITS INVESTMENT STRATEGY AND OPERATIONS

The Company is newly incorporated and has no operating history

The Company was incorporated on 18 April 2017. The Company has no operating history and no historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve the Investment Objective and that the value of an investment in the Company could decline substantially as a consequence. The past performance of other investments managed or advised by the Investment Manager cannot be relied upon as an indicator of the future performance of the Company.

The Company may not meet the Investment Objective

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

The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing the Investment Policy and the Company's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time. There can be no assurance as to the level and/or payment of future dividends by the Company.

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

The Company's targeted dividends set out in this Registration Document are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, purchase price, yield and performance of the Company's investments, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its targeted dividends. The Company may not be able to implement the Investment Objective and Investment Policy in a manner that generates dividends in line with the targets. Furthermore, the targeted dividends are based on the market conditions and the economic environment at the time of assessing the targeted dividends, and are therefore subject to change. In particular, the targeted dividends assume no material changes occur in government regulations or other policies, or in law and taxation, and that the Company is not affected by natural disasters, terrorism, social unrest or civil disturbances or the occurrence of risks described elsewhere in this Registration Document. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this Registration Document. Accordingly, the actual rate of dividends achieved may be materially lower than the targeted dividends, or in addition it may result in a partial or total loss, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of Shares.

The Company may be unable to make acquisitions

The Investment Manager has identified a number of available properties that are consistent with the Investment Objective and Investment Policy. However, there can be no certainty that the Company will be able to acquire these or other properties on acceptable terms or at all.

The Company will face competition from other property investors. Competitors may have greater financial resources than the Company and a greater ability to borrow funds to acquire properties. Competition in the property market may also lead either to an oversupply of properties in the target market through over development or the price of existing properties being driven up through competing bids by potential purchasers.

Any delays in deployment of the net proceeds from the Share Issuance Programme may have an impact on the Company's results of operations, cash flows and the ability of the Company to pay dividends to Shareholders and to achieve the stated target dividend return referred to in this Registration Document and therefore to achieve its return objective. Pending deployment of the net proceeds from the Share Issuance Programme, the Company intends to invest cash in cash deposits and cash equivalents for cash management purposes. Interim cash management is likely to yield lower returns than the expected returns from investments.

Unsuccessful transaction costs

There is a risk that the Company may incur substantial legal, financial and other advisory expenses arising from unsuccessful transactions which may include expenses incurred in dealing with transaction documentation and legal, accounting and other due diligence.

Portfolio concentration risk

Although the Company will seek to invest in a diversified portfolio of UK properties, predominately in alternative and specialist sectors, all of the Company's assets will, once the Company is fully invested, be invested in UK property. Consequently, any downturn in the UK and its economy or regulatory changes in the UK could have a material adverse effect on the Company's results of operations or financial condition. Greater concentration of investments in any sector or exposure to the creditworthiness of any one tenant or tenants may lead to greater volatility in the value of the Company's investments and the NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.

The Company's due diligence may not identify all risks and liabilities in respect of an acquisition

Prior to entering into an agreement to acquire a property the Company will perform due diligence on the property concerned and any existing tenants. In doing so it would typically rely on third parties to conduct a significant portion of this due diligence (including legal reports on title, property valuations and credit reports of any tenants). To the extent that such third parties underestimate or fail to identify risks and liabilities (including any environmental liabilities) associated with the property in question, the Company may be affected by defects in title, or be exposed to environmental, structural or operational defects requiring remediation, or may be unable to obtain necessary permits or permissions, or suffer one or more tenant defaults, which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of Shares.

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

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

Returns achieved are reliant primarily upon the performance of the Portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in Shares. The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of properties in the Portfolio from time to time, changes in the Group's rental income, operating expenses, occupancy rates, the degree to which the Group encounters competition and general economic and market conditions. Such variability may be reflected in dividends, may lead to volatility in the trading price of Shares and may cause the Company's results for a particular period not to be indicative of its performance in a future period.

Derivative instruments

The Company may utilise derivative instruments for efficient portfolio management purposes. Where the Company utilises derivative instruments, it is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Accordingly, the Company's use of derivative instruments may expose the Company to greater risk and have a material adverse effect on the Company's performance.

The Company may seek to mitigate interest rate risk using derivative instruments. However, there can be no assurances or guarantees that the Company will successfully hedge against such risks or that adequate hedging arrangements will be available on an economically viable basis. Hedging arrangements may result in additional costs being incurred or losses being greater than if hedging had not been used.

UK exit from the European Union

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("**Brexit**"). The extent of the impact of Brexit on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. The Company may be subject to a significant period of uncertainty in the period leading up to eventual Brexit including, *inter alia*, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of an eventual Brexit on the value of investments in the UK real estate sector and, by extension, the value of the investments in the Company's eventual investment portfolio, is unknown. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the Net Asset Value and the price of the Shares. As such, it is not possible to accurately state the impact that Brexit will have on the Company and its proposed investments at this stage. Brexit may also make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Company. This could restrict the Company's future activities and thereby negatively affect returns.

REAL ESTATE RISKS

It may prove difficult to attract new tenants for the Company's properties

The Company may experience difficulty in attracting new tenants on suitable terms or at all. The Company may need to incur additional costs and expenses, including the granting of rent free periods, legal and surveying costs, maintenance costs, insurance costs, rates and marketing costs as a result of properties being without tenants and in order to attract tenants.

The assumptions made by the Valuer regarding the length of void periods may underestimate the actual void periods suffered by the Company. If vacancies continue for longer periods of time the Company may suffer reduced revenues resulting in less income being available for distribution to Shareholders. In addition the market value of a property could be diminished because the value of a property will depend principally upon the value of the leases of such property.

Tenant default

Dividends payable by the Company are dependent on the income generated from the properties it owns. Failure by tenants to comply with their rental obligations could affect the ability of the Company to pay dividends to Shareholders.

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

The value of the Portfolio and the Company's turnover will be dependent on the rental rates that can be achieved from the properties in the Portfolio. The ability of the Company to maintain or increase the rental rates for its properties generally may be adversely affected by general UK economic conditions. In addition, there may be other factors that depress rents or restrict the

Group's ability to increase rental rates, including local factors relating to particular properties/locations (such as increased competition). Any failure to maintain or increase the rental rates for the Group's properties generally may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Shares and the Group's ability to meet interest and capital repayments on any debt facilities.

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

The Company will invest in commercial properties in the UK. Such investments are illiquid; they may be difficult for the Company to sell and the price achieved on any realisation may be at a discount to the prevailing valuation of the relevant property, which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of Shares.

The property market

Any property market recession or future deterioration in the property market could, *inter alia*,: (i) make it harder for the Company to attract new tenants for its properties, (ii) lead to an increase in tenant defaults; (iii) lead to a lack of finance available to the Company; (iv) cause the Company to realise its investments at lower valuations; and (v) delay the timings of the Company's realisations. Any of the foregoing could have a material adverse effect on the ability of the Company to achieve the Investment Objective, on the Net Asset Value and on the price of the Shares.

Real estate development may incur more cost and time than expected

To the extent that the Company invests in property developments it will be subject to the risks normally associated with property development. These risks include, without limitation, risks relating to the availability and timely receipt of planning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Company, such as weather or labour conditions or material shortages), general market and letting risk, and the availability of both construction and permanent financing on favourable terms. These risks could result in substantial unanticipated delays or expense and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of Shares.

The rate of inflation may exceed the contractual limits in rent review provisions of the Company's leases.

The Company will focus on properties that can generate predictable income streams through long-leases and have contractual exposure to inflation rates at the time of investment. In the current market environment, the Company's focus will be to invest in properties to construct a portfolio with, *inter alia*, at least 85 per cent. of the gross passing rent having leases with rent reviews linked to inflation (RPI or CPI) at the time of investment. Rent review provisions in such leases may have contractual limits to the increases that may be made as a result of the rate of inflation (typically between 1 per cent. and 4 per cent. of the gross passing rent) and, if inflation is in excess of such contractual limits, the Company may not be able to deliver the targeted returns to Shareholders. Any such failure may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Shares and the Group's ability to meet interest and capital repayments on any debt facilities.

Property valuation is inherently subjective and uncertain

Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and there can be no assurance that the estimates resulting from the valuation process will reflect actual sales prices that could be realised by the Company in the future. The Administrator will rely on the latest available property valuations provided by the Company's independent valuer in calculating the Net Asset Value.

RISKS RELATING TO TAXATION AND REGULATION

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

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

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

There is no guarantee that the Group will maintain REIT status

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

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

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

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

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

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

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

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

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

The Group intends to grow through investment in freehold and leasehold properties and development opportunities. However, the REIT distribution requirements may limit the Group's ability to fund acquisitions and capital expenditures through retained income earnings. To maintain REIT status and as a result obtain full exemption from UK corporation tax on the profits of the Property Rental Business of the Group, the Company is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property

Income Distributions. The Group would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that the Company distributes as Property Income Distributions less than the amount required to meet the 90 per cent. distribution test for each accounting period. Therefore, the Group's ability to grow through acquisitions of operating properties and development of new properties could be limited if the Group was unable to obtain debt or issue Shares.

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

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

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

A REIT may become subject to an additional tax charge if it makes a distribution to, or in respect of, a Substantial Shareholder, that is, broadly any person which has rights to 10 per cent. or more of the distributions or Shares or controls at least 10 per cent. of the voting rights. This additional tax charge will not be incurred if the Company has taken reasonable steps to avoid paying distributions to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where distributions may become payable to a Substantial Shareholder and these provisions are summarised at paragraph 4 of Part 4 of this Registration Document. These provisions provide the Directors with powers to identify Substantial Shareholders and to prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met. The Articles also allow the Directors to require the disposal of Shares forming part of a Substantial Shareholding in certain circumstances where the Substantial Shareholder has failed to comply with the above provisions.

RISKS OF LEVERAGE

Availability of borrowings and the gearing effect of borrowing can work against as well as for Shareholders.

The Company intends to secure borrowing facilities in the future to pursue the Investment Objective. It is not certain that such facilities will be available on acceptable terms or at all. Any amounts that are secured under a bank facility are likely to rank ahead of Shareholders' entitlements. Accordingly, should returns derived from the Company's investments not be sufficient to cover the costs and liabilities of such borrowings, on a liquidation of the Company, Shareholders may not recover their initial investment and in certain circumstances may lose their entire investment. An inability to borrow at levels or on terms acceptable to the Board could require cash to be retained to fund future asset management initiatives. This could reduce the reserves available to make distributions to Shareholders.

Whilst the use of borrowings should enhance the NAV per Share where the value of the Company's investments is rising, it will have the opposite effect where the value of the Company's investments is falling. In addition, in the event that rental income from the Company's investments falls (for example as a result of defaults by tenants) the use of borrowings will increase the impact of such falls on the net revenue of the Company and this in turn will have an adverse effect on the Company's ability to pay dividends.

RISKS RELATING TO SERVICE PROVIDERS

The Company has no employees and is reliant on the performance of third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for certain of its executive functions. In particular, the Investment Manager, the Property Manager, the Administrator and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

The past performance of other investments managed or advised by the Investment Manager or Investment Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing the Investment Objective and Investment Policy. The success of the Company will depend, *inter alia*, on the Investment Manager's ability to identify, acquire, let and realise properties in accordance with the Investment Objective and Investment Policy. This, in turn, will depend on the ability of the Investment Manager to apply its investment analysis processes in a way which is capable of identifying suitable properties for the Company to invest in. There can be no assurance that the Investment Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The Company is dependent on the expertise of the Investment Manager and its key personnel to evaluate investment opportunities and to assist in the implementation of the Investment Objective and Investment Policy

In accordance with the Investment Management Agreement, the Investment Manager is responsible for providing discretionary investment management services to the Company. Accordingly, the Company is reliant upon, and its success will depend on, the Investment Manager and its personnel, services and resources.

Consequently, the future ability of the Company to successfully pursue the Investment Objective and Investment Policy may, among other things, depend on the ability of the Investment Manager to retain its existing staff and/or to recruit individuals of similar experience and calibre. Whilst the Investment Manager has endeavoured to ensure that the principal members of its management team are suitably incentivised, the retention of key members of the team cannot be guaranteed. Furthermore, in the event of a departure of a key employee of the Investment Manager, there is no guarantee that the Investment Manager would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company. Events impacting but not entirely within the Investment Manager's control, such as its financial performance, it being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain key personnel.

Under the terms of the Investment Management Agreement, the Investment Manager is required to devote appropriate time and resources to the Company's investments. However, if the Investment Manager fails to allocate the appropriate time or resources to the Company's investments, the Company may be unable to achieve the Investment Objectives. In addition, although the Investment Management Agreement requires the Investment Manager to dedicate suitably qualified personnel to the Company's business or to require personnel servicing the Company's business to allocate a specific amount of time to the Company they may not be able to do so.

The Company is also subject to the risk that the Investment Management Agreement may be terminated and that no suitable replacement investment manager will be found. If the Investment Management Agreement is terminated and a suitable replacement is not secured in a timely manner or key personnel of the Investment Manager are not available to the Company with an appropriate time commitment, the ability of the Company to execute the Investment Objective and Investment Policy may be adversely affected.

The obligations of the Investment Manager under the Investment Management Agreement are not guaranteed by any other person.

The Investment Manager and its affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company

The Investment Manager and its affiliates are involved in other activities which may on occasion give rise to conflicts of interest with the Company. In particular: (i) the Investment Manager manages and/or advises other funds and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment objectives and/or investment policies to that of the Company; (ii) the Investment Manager and its affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest; and (iii) the Investment Manager and its affiliates may give advice and recommend investments to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company,

even though their investment objectives and/or investment policies may be the same or similar. If these conflicts of interest are managed to the detriment of the Company by the Investment Manager they could materially and adversely affect the performance of the Company.

The Investment Management Agreement may be costly or difficult to terminate

The Investment Management Agreement has been negotiated as part of the launch of the Company. In the absence of fault on the part of the Investment Manager, the Company cannot give notice to terminate the Investment Management Agreement until the first anniversary of Admission, following which a 12 month notice period applies. This means that if the Company is dissatisfied with the performance of the Investment Manager it could be costly or difficult for the Investment Management Agreement to be terminated.

IMPORTANT INFORMATION

GENERAL

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

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this Registration Document (together with the Summary and the Securities Note or any Future Summary and Future Securities Note) and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should not treat the contents of this Registration Document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

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

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

This Registration Document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Registration Document and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Registration Document is received are required to inform themselves about and to observe such restrictions.

Under any Intermediaries Offer, the Shares may be offered to Intermediaries who will facilitate the participation of their retail investor clients (and any member of the public who wishes to become a client of that Intermediary) located in the United Kingdom. The Company consents to the use of this Registration Document in connection with any subsequent resale or final placement of securities: (i) in respect of the Intermediaries who have been appointed by the Company prior to the date of this Registration Document, those intermediaries listed in paragraph 14 of Part 5 of this Registration Document; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Registration Document, those intermediaries which appear on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of Shares, in each case, until the closing of the period for the subsequent resale or financial placement of Shares by financial intermediaries at 2.00 p.m. on 31 May 2017, unless closed prior to that date.

The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Registration Document is given commences on 17 May 2017 and closes at 16 May 2018, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

Any Intermediary that uses this Registration Document must state on its website that it uses this Registration Document in accordance with the Company's consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer of such Intermediary. **Information on the terms and conditions of any subsequent resale or final placement of Shares by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

The Company accepts responsibility for the information in this Registration Document with respect to any subscriber for Shares pursuant to any subsequent resale or final placement of Shares by any Intermediaries which are given consent to use this Registration Document.

Any new information with respect to financial intermediaries unknown at the time of approval of this Registration Document will be available on the Company's website.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this Registration Document. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is

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

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

AIFMD

This document contains the information required to be made available to investors in the Company before they invest pursuant to the AIFM Directive and UK implementing measures (the AIFM Regulations and consequential amendments to the FCA Handbook).

UK RULES ON MARKETING OF POOLED INVESTMENTS

The FCA Handbook contains rules restricting the marketing within the UK of certain pooled investments or ‘funds’, referred to in the FCA Handbook as non-mainstream pooled investments (“**NMPIs**”), to ‘ordinary retail clients’. These rules took effect on 1 January 2014. These rules currently do not apply to real estate investment trusts.

ELIGIBILITY FOR INVESTMENT BY UCITS OR NURS

The Company has been advised that the Shares should be “transferable securities” and, therefore, should be eligible for investment by UCITS or NURS on the basis that: (i) the Company is a closed-ended investment company incorporated in England and Wales as a public limited company; (ii) the Shares are to be admitted to trading on the main market for listed securities of the London Stock Exchange; and (iii) the Investment Manager is authorised and regulated by the FCA and, as such, is subject to the rules in the FCA’s conduct of its investment business. The manager of a UCITS or NURS should, however, satisfy itself that the Shares are eligible for investment by that UCITS or NUR, including the factors relating to that UCITS or NURS itself, specified in the Collective Investment Scheme Sourcebook of the FCA Handbook.

FURTHER SHARE ISSUES

This Registration Document assumes that no further Shares will be issued after the date of this Registration Document and before the completion of the Initial Issue. This Registration Document is valid for a period of up to 12 months following its publication. The Company may issue up to 300 million Shares at any time within a period of up to 12 months from the date of this Registration Document in connection with the Share Issuance Programme (including the Initial Issue). The prospectus for any issuance of additional Shares may, for a period of up to 12 months from the date of the publication of this Registration Document, consist of this Registration Document which will not be updated and a Future Summary and Future Securities Note which will be applicable to each issue and subject to separate approval by the FCA on each issue. Persons receiving this Registration Document should read the Prospectus (or any future prospectus) together as a whole and should be aware that any update in respect of a Future Summary and Future Securities Note may constitute a material change for the purposes of the Prospectus Rules.

NO INCORPORATION OF WEBSITE INFORMATION

The Company’s website address is www.aeweurope.com/en/Strategies/UK/LL-reit.html. The contents of the Company’s website do not form part of this Registration Document.

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Stephen Smith (Non-executive Chairman) Jim Prower (Non-executive Director) Alan Sippetts (Non-executive Director) George Henshilwood (Non-executive Director) all of the registered office below:
Registered Office	40 Dukes Place London EC3A 7NH Tel: +44 (0)20 7954 9584 Website: www.aeweurope.com/en/Strategies/UK/LL-reit.html
Investment Manager and AIFM	AEW UK Investment Management LLP 33 Jermyn Street London SW1Y 6DN
Property Manager	Workman LLP Alliance House 12 Caxton Street London SW1 0QS
Sponsor, Financial Adviser and Sole Bookrunner	Fidante Partners Europe Limited (trading as Fidante Capital) 1 Tudor Street London EC4Y 0AH
Distribution Agent	Kepler Partners LLP 9/10 Savile Row London W1S 3PF
Intermediaries Offer Adviser	Solid Solutions Associates (UK) Limited 5 St Johns Lane London EC1M 4BH
Legal Adviser to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Legal Adviser to the Sponsor, Financial Adviser and Sole Bookrunner	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Depository	Langham Hall UK Depository LLP 5 Old Bailey London EC4M 7BA
Administrator	Capita Sinclair Henderson Limited Beaufort House 51 New North Road Exeter EX4 4EP

Company Secretary	Capita Company Secretarial Services Limited 40 Dukes Place London EC3A 7NH
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
Receiving Agent	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
Auditors and Reporting Accountants	KPMG LLP 15 Canada Square London E14 5GL
Valuer	Knight Frank LLP 55 Baker Street London W1U 8AN

PART 1

INFORMATION ON THE COMPANY

Introduction

The Company is a newly established closed-ended investment company incorporated in England and Wales on 18 April 2017. The Company intends to carry on business as the principal company of a REIT, subject to meeting the necessary qualifying conditions.

The Shares are available to investors through the Initial Issue at £1.00 per Share.

Applications will be made to each of the UK Listing Authority and the London Stock Exchange, respectively, for all of the Shares to be issued pursuant to the Initial Issue to be admitted to the premium listing segment of the Official List and to trading on the Main Market. It is expected that Initial Admission will become effective and that dealings in the Shares will commence at 8.00 a.m. on 6 June 2017.

The assets of the Company will be managed by AEW UK Investment Management LLP.

Investment Objective

The Investment Objective is to generate a secure and predictable income return, sustainable in real terms, whilst at least maintaining capital values, in real terms, through investment in a diversified portfolio of UK properties, predominately in alternative and specialist sectors.

Investment Policy

In order to achieve the Investment Objective, the Company will invest in freehold and long leasehold properties across the whole spectrum of the UK property sector, but with a focus on alternative and specialist real estate sectors. Examples of alternative and specialist real estate sectors include, but are not limited to, leisure, hotels, healthcare, education, logistics, automotive, supported living and student accommodation.

The Company intends to achieve a diversified portfolio across both properties and tenants. The Company will focus on properties that can generate predictable income streams through long-leases and have contractual exposure to inflation rates at the time of investment.

Within the scope of the restrictions set out below (under the heading "Investment Restrictions") the Company may invest up to 10 per cent. of the Gross Asset Value (measured at the point of capital commitment) in development opportunities, with the intention of holding any completed development as an investment. Such opportunities, where undertaken, are likely to be forward funding development commitment and/or pre-leased development as part of an asset repositioning. Speculative development, being where pre-leases have not been secured for at least 75 per cent. of the space, will not be permitted.

In the event of a breach of the Investment Policy or the investment restrictions set out below, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the Investment Manager will look to resolve the breach.

Any material change to the Investment Policy or investment restrictions of the Company may only be made with the prior approval of Shareholders.

Investment Strategy

The Company will focus on properties which can deliver a secure income and preserve capital value, with an attractive entry yield. The Company will have an emphasis on alternative and specialist property sectors to access the attractive value and capital preservation qualities which such sectors currently offer.

The Company intends to supplement this core strategy with active asset management initiatives to re-gear certain mid-life leased properties.

Permitted sectors will include, but are not limited to the following, subject at all times to the Investment Manager's assessment of their appeal and specific asset investment opportunities:

- Healthcare;
- Leisure;

- Hotels and serviced apartments;
- Education;
- Automotive;
- Car parks;
- Residential;
- Supported living;
- Student accommodation;
- Logistics;
- Storage;
- Communications;
- Supermarkets;
- Offices (subject to the limitation on traditional sector exposures below);
- Shopping centres (subject to the limitation on traditional sector exposures below);
- Retail and retail warehouses (subject to the limitation on traditional sector exposures below); and
- Industrial (subject to the limitation on traditional sector exposures below).

The Company will not be permitted to invest in land assets, including development land which does not have a development agreement attached, agriculture or timber.

In the current market environment the focus will be to invest in properties to construct a portfolio with the following minimum targets:

- a weighted average unexpired lease term at the time of investment in excess of 18 years;
- at least 85 per cent. of the gross passing rent will have leases with rent reviews linked to inflation (RPI or CPI) at the time of investment;
- investment in properties which typically have a value, at the time of investment, of between £2 million and £30 million;
- at least 80 per cent. of the properties will be in non-traditional sectors;
- less than 20 per cent. of the properties will be in the traditional sectors of retail, industrial and offices; and
- over 90 per cent. of properties will be freehold or very long leasehold (over 150 years).

Whilst each acquisition will be made on a case by case basis, it is expected that properties will typically offer the following characteristics:

- existing tenants with strong business fundamentals and profitable operations in those locations;
- depth of tenant/operator demand;
- alternative use value;
- current passing rent close to or below rental value; and
- long-term demand drivers, including demographics, use of technology or built-for-purpose real estate.

Key to the success of the Company will be early deployment of cash through careful investment selection. The Investment Manager has identified a pipeline of opportunities generated by its network of connections across the UK commercial property market. In the 12 months to 31 March 2017 the Investment Manager received c.2,200 separate deal introductions via Propex, the online data exchange for the institutional property market, with a combined total value of c.£19.14 billion. Further detail of the pipeline of opportunities for the Company is set out in Part 2 of this document.

The Company may invest in commercial properties or portfolios of commercial property assets which, in addition, include ancillary or secondary utilisations.

The Company does not intend to spend any more than 5 per cent. of the Net Asset Value in any rolling twelve month period on (a) the refurbishment of previously occupied space within the existing Portfolio, or (b) the refurbishment of new properties acquired with vacant units.

The Company may invest in corporate and other entities that hold property and the Company may also invest in conjunction with third party investors.

The Company may engage in full or partial interest rate hedging or derivatives to seek to mitigate the risk of interest rate increases as part of the Company's portfolio management.

Investment Restrictions

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

- the value of assets in any one sector and sub-sector, at the time of investment, shall not exceed 50 per cent. of Gross Asset Value and 25 per cent. of Gross Asset Value, respectively;
- the value of no single property, at the time of investment, will represent more than 10 per cent. of Gross Asset Value;
- the value of assets in any sub-sector in one geographical region, at the time of investment, shall not exceed 10 per cent. of Gross Asset Value;
- exposure to a single tenant covenant will be limited to 15 per cent. of Gross Asset Value;
- the Company may commit up to a maximum of 10 per cent. of its Gross Asset Value (measured at the commencement of the relevant project) in development activities;
- investment in unoccupied and non-income producing assets, will at the time of investment, not exceed 5 per cent. of ERV;
- the Company will not invest in other closed-ended investment companies; and
- if the Company invests in derivatives for the purposes of efficient portfolio and cash management, the total notional value of the derivatives at the time of investment will not exceed, in aggregate, 20 per cent. of Gross Asset Value.

Borrowings

The Company intends to utilise borrowings to enhance returns over the medium term. Borrowings will be utilised on a limited recourse basis for each investment on all or part of the total Portfolio and will not exceed 40 per cent. of Gross Asset Value (measured at drawdown) of each relevant investment or of the Portfolio. It is currently anticipated that the level of total borrowings will typically be at the level of 30 per cent. of Gross Asset Value (measured at drawdown).

Dividend Policy

Whilst not forming part of the Investment Objective or Investment Policy the Company will, once fully invested and levered, target an annual dividend of 5.5 pence per Share, with an ambition to grow in future years by the rate of UK inflation.

The Company intends that the net proceeds of the Initial Issue will be invested as rapidly as practicable following Initial Admission. The Investment Manager expects that the Company will be substantially fully invested within nine months following Initial Admission and will remain substantially fully invested thereafter.

Subject to market conditions, the financial position of the Company and the investment outlook, it is the Directors' intention to pay quarterly dividends to Shareholders. Whilst not forming part of the Investment Objective or Investment Policy and assuming that the net proceeds of the Initial Issue are invested in accordance with the intended timetable described above, the Company will seek to target the following dividend payments:

- dividends totaling at least 3.25 pence per Share in respect of the period from Initial Admission to the first financial year end; and
- dividends totaling 5.5 pence per Share per annum in respect of subsequent financial periods with an ambition to grow in future years by the rate of inflation.

The Company intends to declare dividends in January, April, July and October of each year to be paid the following month. The Company intends to declare its first interim dividend in October 2017, to be paid in November 2017. On the basis of the expected investment period the Company is targeting the following dividends in respect of the first three quarters following Initial Admission:

- Initial Admission to 30 September 2017 – 0.5 pence per Share;

- 1 October 2017 to 31 December 2017 – 0.5 pence per Share; and
- 1 January 2018 to 31 March 2018 – 1 pence per Share.

The dividend for the quarter ending 30 June 2018 will be dependent on the speed of deployment of the net proceeds of the Initial Issue. In respect of the period commencing 1 July 2018 and subsequent periods, it is intended that the Company will declare a quarterly dividend of at least 1.375 pence per Share.

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

Investors should note that the figures in relation to dividends set out above and elsewhere in this Registration Document are for illustrative purposes only and are not intended to be, and should not be taken as, a profit forecast or estimate. Actual returns cannot be predicted and may differ materially from these illustrative figures. There can be no assurance that they will be met or that any dividend growth will be achieved.

Valuation Policy

The Directors intend to use Knight Frank, or another professional independent valuer of equivalent standing, as property valuer to the Company. Valuations of the Company's properties will be conducted quarterly as at 31 March, 30 June, 30 September and 31 December in each year. The market value of the Portfolio is determined by the Valuer in accordance with the internationally accepted RICS Appraisal and Valuation Standards.

Valuations will only be suspended in circumstances where the underlying information necessary to value the Portfolio cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the independent valuer) which prevents the Company from making such valuations.

Calculation of Net Asset Value

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

The first calculation of the Net Asset Value will be conducted as at 30 September 2017 as there will be no property valuations prior to this date.

The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Administrator) which prevents the Administrator from making such calculations. Details of any suspension in making such calculations will be announced via a Regulatory Information Service announcement as soon as practicable after any such suspension occurs.

Meetings, Reports and Accounts

The audited accounts of the Company will be prepared in Sterling under IFRS. The Company's annual report and accounts will be prepared up to 30 June in each year. It is expected that copies of the report and accounts will be sent to Shareholders by the end of October in each year. Shareholders will also receive an unaudited half-yearly report covering the six months to 31 December each year, which will be dispatched within the following three months. The first financial report and accounts that Shareholders will receive will be the half yearly report for the period ending on 31 December 2017 (covering the period from incorporation of the Company).

The Company intends to hold its first annual general meeting before 18 October 2018 and will hold an annual general meeting before 31 December each year thereafter.

Share Premium and Discount Management

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

Share buy-backs

The Directors will consider repurchasing Shares in the market if they believe it to be in Shareholders' interests as a whole and as a means of correcting any imbalance between supply of, and demand for, the Shares. The Directors intend, following Admission, to apply to the Court to cancel the Company's share premium account so as to create a new special reserve which may be treated as distributable profits and, amongst other things, out of which share buy-backs may be funded.

A special resolution has been passed granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued share capital immediately following Initial Admission during the period expiring on the conclusion of the earlier of the Company's first annual general meeting and 31 December 2018. Renewal of this buy-back authority will be sought at each annual general meeting of the Company.

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

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

Further issues

The Directors have authority to issue up to 300 million Shares under the terms of the Share Issuance Programme (including the Initial Issue). Such authority will expire at the annual general meeting of the Company to be held in 2020.

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

Under the Listing Rules, Shares will only be issued at a price at or above the NAV per Share unless authorised by Shareholders.

Treasury Shares

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

The Board currently intends only to authorise the sale of Shares from treasury at prices at or above the latest published Net Asset Value per Share (plus costs of the relevant sale).

Continuation vote

The Company has been established with an indefinite life. At the annual general meeting of the Company to be held in 2022, under the provisions of the Articles, the Board will propose an

ordinary resolution that the Company continue its business as presently constituted. If this resolution is not passed, the Board will formulate proposals to be put to Shareholders to re-organise, restructure or wind-up the Company and to present such proposals to Shareholders within six months of the date of the annual general meeting at which the continuation resolution was proposed.

REIT Status and Taxation

The Company will give notice to HMRC (in accordance with Section 523 CTA 2010) that the Group will become a REIT on the acquisition of its first three properties following Initial Admission and the Group will need to comply with certain ongoing regulations and conditions (including minimum distribution requirements) thereafter.

Potential investors are referred to Part 6 of this document for details of the REIT regime and taxation of the Company and the Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

Regulatory Status of Shares

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

Typical Investors

An investment in the Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable financially sophisticated non-advised private investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

PART 2

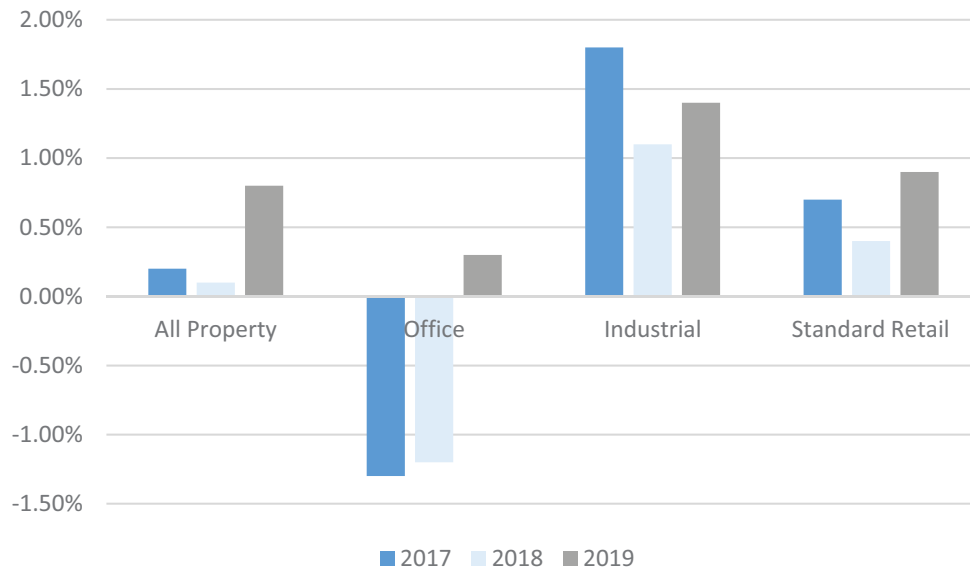
INVESTMENT OPPORTUNITY AND PIPELINE

Market Overview and Opportunity

In general terms the property market has proved to be resilient following the Brexit referendum, with MSCI data showing that by December 2016 all main sectors had started to regain any loss of valuation that had been experienced earlier in the year. As such, multi-asset investors would typically continue to view property as an attractive alternative to historically low bond yields.

As at the date of this Registration Document, a significant development exposure to London remains comparatively high risk for the commensurate returns, with low yields implying the need for rental growth to support investment returns. This is at a time when occupier demand has weakened and supply is increasing. Outside of central London, the Directors believe (as advised by the Investment Manager) that there are fewer concerns about occupier demand, and, in addition, there has been a relative lack of property development over recent years, when compared to London, which has constrained supply. However, on the whole, rental growth across traditional centres is expected to be fairly modest over the next few years when compared to inflation linked leases. Inflation consensus forecasts indicate 3.2 per cent. per annum average over the next five years compared to IPF All Property Rental Value Growth Forecast of 0.8 per cent. per annum average over the next 5 years.

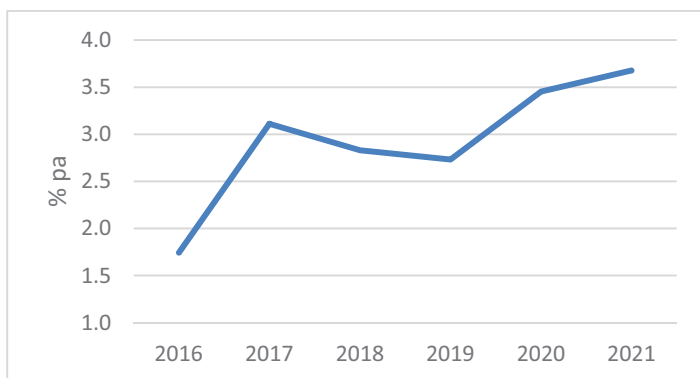
Rental Value Growth Forecasts for Traditional Property Sectors



(Source: IPF Winter 2016)

UK inflation levels have grown over the past twelve months and ONS Consensus Inflation Forecasts indicate that inflation will remain at this level in the short to medium term. The Company will seek to use inflation linked leases, or those which provide fixed growth that either matches or exceeds inflation forecasts at the time of investment, to mitigate this and to provide investors with a secure, predictable income stream that is expected to grow at a faster rate than would be expected to be seen in traditional property sectors.

RPI Inflation Forecasts



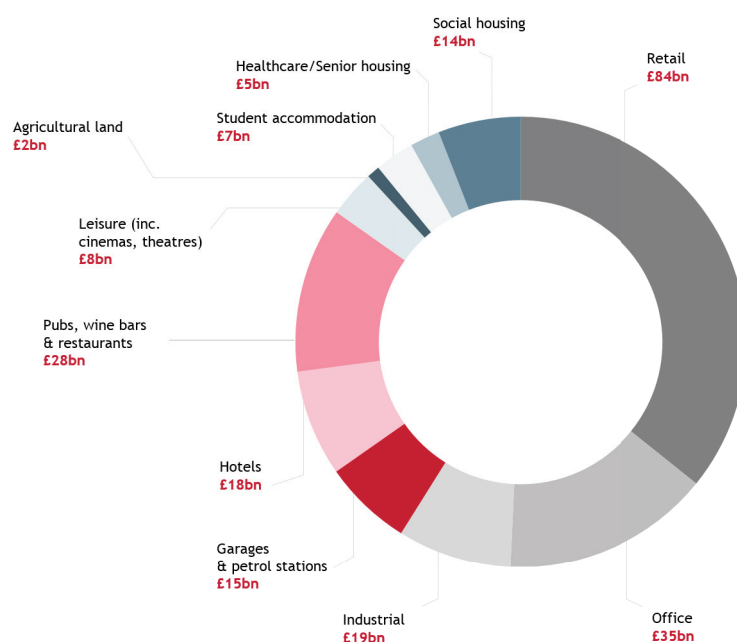
(Source: HM Treasury April 2017, Oxford Economics)

A minimum of 85 per cent. of the Company's income will be inflation linked in this way; however, it is the Directors' expectation (as advised by the Investment Manager) that the rent review provisions in some leases will provide for caps and collars around the extent of inflation that can be captured. The Investment Manager will seek to acquire assets that maximise both the distribution to investors and the extent of potential inflation uplift that can be captured. Review provisions within the leases are expected to fall either annually or 5 yearly.

Alternative Sector Investment

The Company will invest in a diverse range of alternative property sectors which are defined as being outside of the traditional property sectors of retail, office and industrial. The IPD Universe, which is representative of institutional property ownership in the UK, is currently underweight in its representation of alternative property sectors when compared to the wider property market and UK economy, accounting for only c.60 per cent. of the investible universe. In addition, IPD institutional funds have an average of 91 per cent. in traditional sectors and only 9 per cent. in alternative sectors, as shown in the chart below. As such, the Directors believe (as advised by the Investment Manager) that relative pricing is attractive in these sectors.

Breakdown of commercial property market by sector



(Source: AEW, IPD; as at January 2012)

Breakdown of IPD investment by sector vs expected growth within the UK economy



(Source: IPD, PPF – pooled property fund index)

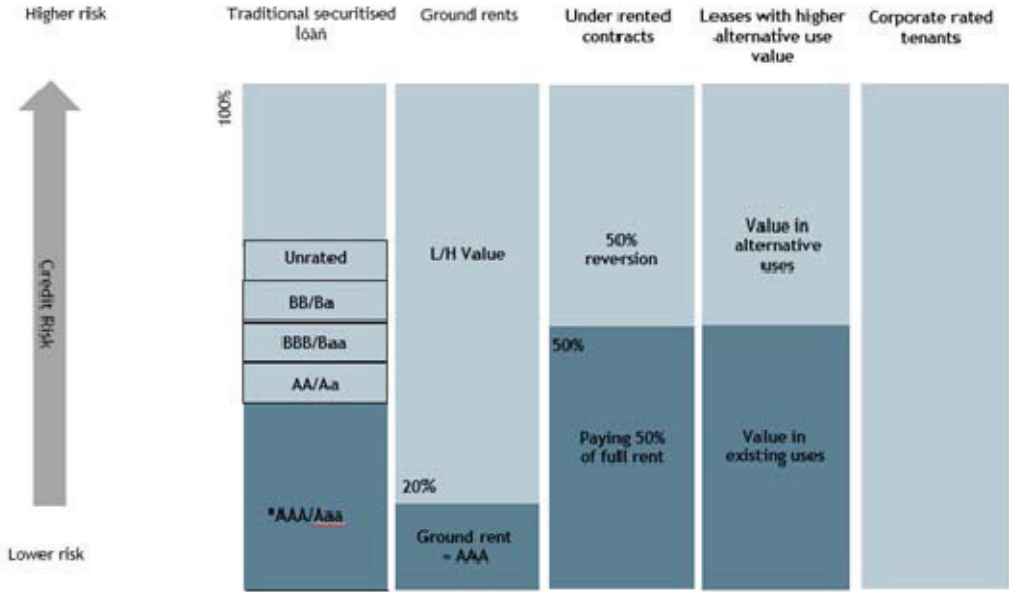
Alternative sectors also provide an opportunity to invest in a diversified range of properties which better fit the income profile that the strategy is seeking, with longer, inflation linked leases.

The Directors (as advised by the Investment Manager) believe that these properties also lie in business areas that are more closely aligned with long-term trends (for example, demographics and technology), and expected GDP growth.

Long Term Capital Preservation

The Investment Manager’s robust stock selection and a purchase appraisal process will seek to provide capital value protection. The Investment Manager will seek to acquire assets that show a purchase price which is significantly underwritten by the vacant value of the property therefore providing the Company with a good level of capital recovery in the event of any tenant default. The Investment Manager will seek to find properties which provide a level of over collateralised security, such as a higher alternative use value, a reversionary rental value, or a value that is supported by the metrics of an underlying trading business, alongside a positive appraisal of tenant covenant.

It is these opportunities, which fall between the over collateralisation provided by a ground lease fund and the strict investment criteria of a long lease fund that can only invest in properties that are let to investment grade tenants, that the Directors (as advised by the Investment Manager) believes are under-invested and therefore provide superior value. The Directors (as advised by the Investment Manager) believes that these opportunities will also provide the best defence of capital in the long term.



(Source: AEW UK)

The Investment Manager therefore expects to find most value outside of those alternative sub-sectors that are heavily invested in by sector specialist long lease funds, where pricing has been driven to a more competitive level.

Tenant covenants will be assessed by the Company, currently by using Coface, a credit insurance specialist. Coface will provide a bespoke risk assessment report for each of the Company’s tenant. This will take into consideration, amongst other factors a tenant’s financial data, the surrounding business environment, the tenant’s management structure and ability to meet rental obligations. If required by the Investment Manager, Coface will also meet with representatives of a tenant company in order to obtain more detailed information. Coface operates 47 global centres dedicated to the collection, processing and analysis of information and holds records on over 65 million companies.

Risk Management through diversification

The Company is specifically designed not to target a single sector or tenant covenant. Rather it aims to manage risk and exploit enhanced investment opportunities through diversification. Investing in a diverse pool of assets, locations and tenant covenants is a strong risk management tool. The Directors intend to purchase a multi-sector portfolio with a broad mix of tenant exposure and a wide geographical spread, focused on strong locations around the UK.

Regional Strength

The Directors (having been advised by the Investment Manager) believe that there are parts of the UK that will benefit more than others from an improving and stronger UK economy and, as such, the Company will focus investment into those regions which can demonstrate a sustainable level of tenant demand. It is likely that the preferred locations may differ for each sub sector of the alternatives universe; however, it is expected that investments will be focused predominantly in strong regional centres.

Pipeline Investments

Within the twelve months to 31 March 2017 the Investment Manager received c.2,200 separate deal introductions via Propex, the online data exchange for the institutional property market, with a combined total value of c.£19.14 billion.

The Investment Manager, on behalf of the Company, has already identified a number of assets which meet the Investment Objective and Investment Policy, including off-market assets identified through the Investment Manager's and its affiliates' extensive contacts and relationships. The Investment Manager has already commenced discussions concerning the acquisition of such assets for the Company and has advanced a number of exclusive negotiations on behalf of the Company in relation to the acquisition of various assets. These acquisitions are subject to on-going due diligence by the Investment Manager and its professional advisers. The Company currently has no binding contractual obligations with potential vendors and although there can be no assurance that any of these properties will be purchased by the Company, the Investment Manager is confident that sufficient suitable assets will be identified, assessed and acquired to substantially invest or commit the net proceeds of the Initial Issue within nine months following Initial Admission.

PART 3

DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

1 DIRECTORS

The Directors are responsible for the determination of the Investment Objective and Investment Policy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Investment Manager. All of the Directors are non-executive and are independent of the Investment Manager.

The Directors are as follows:

Stephen Smith, non-executive Chair

Mr. Smith was chief investment officer of British Land Company PLC, the FTSE 100 REIT, from January 2010 with responsibility for the group's property and investment strategy. He stood down from the board of British Land in March 2013 and left the company at the end of June 2013. He was formerly global head of asset management and transactions at AXA Real Estate Investment Managers where he was responsible for the asset management of a portfolio of more than €40 billion on behalf of life funds, listed property vehicles, unit linked and closed end funds. Prior to joining AXA in 1999, he was managing director at Sun Life Properties for five years. Mr. Smith is currently non-executive chairman of Starwood European Real Estate Finance Limited, a London listed closed-end investment company. He is also non-executive director of Tritax Big Box Reit plc, a real estate investment company that invests in big box assets in the UK and Gatehouse Bank Plc, a London-based wholesale investment bank that specialises in global real estate.

Jim Prower, non-executive Director

Mr. Prower has worked in industry and commerce since 1985, having qualified at Peat, Marwick, Mitchell & Co in 1979. He performed the roles of finance director and company secretary at Minty plc (1987-1989), Creston Land & Estates plc (1989-1995) and NOBO Group plc (1995-1997), before joining Argent Group plc in the same roles. Between 2009 and 2015, he was closely involved with the development and delivery of King's Cross Central (a joint venture between AustralianSuper, the BT Pension Scheme and Argent's management), for which he was primarily responsible for raising debt for working capital, development and investment as well as reporting to the joint venturers. Between November 2012 and 31 December 2015 (when he retired from Argent), together with other senior Argent personnel, Mr. Prower was a member of Argent (Property Development) Services LLP which had acquired Argent Group's property development and management businesses in late 2012. Mr. Prower continues to be a member of Argent Investments LLP which retains interests in some of Argent's projects. In addition to being a non-executive director of the Company, Mr. Prower acts as a non-executive director and the senior independent director of both Tritax Big Box REIT plc and Empiric Student Property plc.

Alan Sippetts, non-executive Director

Mr. Sippetts has been an asset manager most recently with Heartwood Wealth Management, a UK subsidiary of Svenska Handelsbanken AB, where he was investment director, head of investment research (2007–2016). At Heartwood Mr. Sippetts led the research, due diligence and governance processes of all investments and was responsible for research and asset allocation in commercial property. Mr. Sippetts oversaw investment and research across all asset classes in collective schemes, including funds, trusts and REITs at Lloyds Private Bank (2001-2006). Prior to that he was head of UK smaller companies at Legal & General Investment Management Ltd (1992-2001) where he was responsible for all aspects of UK smaller listed and pre-IPO investments. Mr. Sippetts started his investment career at PosTel (Hermes) Investment Management in 1987. Alan holds a B.Sc. in Management Science-Economics from the University of Lancaster and is a fellow of the Chartered Institute for Securities & Investment.

George Henshilwood, non-executive Director

Mr. Henshilwood worked as a money manager with the Scottish Mutual Assurance Society, where he trained as an actuary. He joined Hymans Robertson in 1990 as a partner, responsible for developing their investment consultancy practice. Over the 20-year period when he headed up the practice, he worked with a wide range of clients, both in the public and private sectors, including

defined benefit and defined contribution schemes. Mr. Henshilwood retired from the firm in 2010 but worked on a part-time basis as a consultant for 18 months. Mr. Henshilwood currently acts as independent chair of the governance committee for three funds managed by AEW UK Investment Management LLP.

2 THE INVESTMENT MANAGER

The Investment Manager is part of the AEW Group, one of the world's largest real estate managers, with €60.1 billion of assets under management as at 31 December 2016. The AEW Group comprises AEW Europe SA and AEW Capital Management L.P., a U.S. registered investment manager. In Europe, as at 31 December 2016, the AEW Group managed €26.0 billion in value in properties of all types located in 14 countries, with over 380 staff. The Investment Manager is a 50:50 joint venture between the principals of the Investment Manager and AEW Europe.

The Investment Manager is the investment manager to AEW UK REIT plc, a UK REIT admitted to the premium listing segment of the Official List and to trading on the Main Market launched in May 2015. AEW UK REIT plc has invested over £133 million in 29 properties and it is currently paying a dividend of 8p per share per annum.

The Investment Manager is regulated in the conduct of investment business by the FCA. The Investment Manager is, for the purposes of the AIFMD and the rules of the FCA, a "full scope" UK AIFM with a Part 4A permission for managing AIFs, such as the Company.

Senior management of the Investment Manager

The Investment Manager employs a well-resourced team comprising 25 individuals covering investment, asset management, operations and strategy. Key individuals relating to the Company's strategy are:

Richard Tanner – Managing Director and principal

Mr. Tanner brings 28 years of real estate investment management experience to the Investment Manager. He was a managing director of the UBS UK real estate team which he joined in 1994. Mr. Tanner was responsible for investment strategy, new fund development and was chair of the European Product Strategy Committee at UBS. He was responsible for the development and portfolio management of seven real estate funds totalling £3 billion, ranging from super core to value add. Mr. Tanner is a qualified Chartered Surveyor (MRICS).

Robert Wilkinson – Chief Executive Officer for AEW Europe

Mr. Wilkinson is chief executive officer of AEW Europe with overall responsibility for the management of the firm and for defining and implementing its strategy. He has 26 years of experience in real estate and corporate finance. Since joining the firm in 2009, Mr. Wilkinson has overseen over €5 billion in real estate transactions across Europe and has expanded the platform to include UK fund management capabilities. He is a member of a number of industry bodies and is the current Chairman of the Green Rating Alliance. Mr. Wilkinson was previously a managing director with the Goodman Group responsible for the management of sector-focused funds and business development representing €4.5 billion of assets. He previously held investment banking positions at UBS and Eurohypo.

Rachel Mclsaac – Executive Director, Head of Asset Management and principal

Ms. Mclsaac has 28 years of investment industry experience. Before joining the Investment Manager, she was chief executive of The Association of Real Estate Funds (AREF) between 2004 and 2009. AREF's 70 member funds includes unlisted property vehicles promoted by all of the UK's leading fund managers with c.£40 billion under management. Between 2002 and 2004 she was the managing director of RETHink Real Estate, the UK's first real estate innovation consultancy. From 1994-2002 Ms. Mclsaac was a director at UBS Global Asset Management and fund manager of Triton Property Fund. She was also responsible for external PUT analysis and management of fund gearing. Ms. Mclsaac is a qualified Chartered Surveyor (MRICS).

Alex Short – Portfolio Manager to the Company

Ms. Short has 20 years industry experience and is a manager of AEW UK REIT plc. She held a business and client management role at UBS Global Asset Management in from 2010-2013. She

was also a member of the GRE-UK Investment Committee and provided a management and support role to the team.

From 2002 to 2010, Ms. Short worked at UBS in various roles, including as portfolio manager for UBS SERF and portfolio manager for UBS Triton. Before 2002, Ms. Short worked in the acquisitions team at ING Real Estate and at Gooch Webster within the asset management and investment teams. Ms. Short is a qualified Chartered Surveyor (MRICS).

Laura Elkin – Assistant Portfolio Manager to the Company

Ms. Elkin has eleven years of industry experience and is assistant portfolio manager of AEW UK REIT plc. Ms. Elkin joined AEW in March 2013 and focuses on sourcing and executing direct investments within all property sectors for the AEW UK funds and separate mandates.

Prior to joining the team, Ms. Elkin worked as a senior surveyor at Colliers International, most recently within the national investment team which she joined in 2010. Ms. Elkin carried out the acquisition and disposal of various investment properties across the UK specialising in leisure related RPI linked leases. Ms. Elkin is a qualified Chartered Surveyor (MRICS).

Consultants to the Investment Manager

The Investment Manager has engaged Andrew Strang and James Hyslop as consultants to supplement the expertise of the management team.

Andrew Strang – Property Consultant and principal

Mr. Strang has 39 years of investment industry experience. He is currently a non-executive director of INTU Properties PLC and Capital and Counties Properties PLC. He is also a member of the real estate advisory board of Norges Bank Investment Management. Mr. Strang was chairman of Hermes Real Estate from 2009 to 2011 and prior to that managing director of Threadneedle Property Investment Limited for 17 years. He is a director of the British Property Federation.

James Hyslop – Property Consultant and principal

Mr. Hyslop is currently a member of the investment committee of Paloma UK Real Estate Fund I LP and was until recently on the investment committees of Gresham Real Estate Fund I & II and Columbus UK Real Estate Fund I & II (all Schroders funds). Mr. Hyslop was previously a member of the investment committee of ING Lionbrook Property Partnership, CBRE Investors and a consultant to UBS Global Asset Management Limited. He is a non-executive director of AEW UK REIT plc and was a non-executive director of Raven Mount plc. From 1998 to 2002, Mr. Hyslop served as a non-executive director at Saville Gordon Estates plc (latterly as chairman). From 1990 to 1998, Mr. Hyslop was a director of property corporate finance at UBS Phillips & Drew. Mr. Hyslop joined Phillips & Drew in 1967 where he held various sales and research positions before being appointed a partner in 1981.

AEW Europe debt team

AEW Europe has a specialist debt team comprising three professional staff based in London. The team arranges financing and hedging for four open-ended funds, four separate account mandates and two closed-ended private funds. Over the last six years, the team has procured over €3 billion of new debt finance, re-financings and debt extensions for property investment assets located in the UK and continental Europe.

The team is active in financing and refinancing current loan positions and negotiating new/revised terms for existing agreements that are in breach or require the term to be extended. The team has financed over €1 billion of new debt in the last three years.

The team will be available to advise the Company on its financing requirements.

Investment process

The Investment Manager holds strategy committee meetings every two months to assess the impact of macro-economic factors on UK real estate, identify turning points in the market, advise on investment strategy and generate healthy debate.

The Investment Manager initiates transactions by sending a “flyer” outlining the investment criteria for the Portfolio assets to the agency market. Agents will select investments which they believe would be appropriate for the Company and will send them to the Investment Manager via Propex.

The Investment Manager also sources transactions by initiating exclusive discussions directly with other managers either using an agent intermediary or not. The Investment Manager will review the properties at least weekly at stock selection meetings and will either accept or reject the properties on the system. For the selected properties, the Investment Manager will start an initial due diligence process to:

- carry out initial analysis; and
- view the property.

In weekly stock monitoring meetings, the Investment Manager will recommend properties either for bid, additional due diligence or rejection. For properties which are successfully put under offer, the Investment Manager will prepare a comprehensive “recommendation to purchase” report which will be submitted to the Investment Manager’s investment management committee (the “**IMC**”) for feedback. The IMC will either:

- approve the recommendation;
- approve it subject to further conditions; or
- reject it.

The IMC meets bi-monthly or on an ad-hoc basis, when required. The IMC, which is an internal committee established by the Investment Manager and wholly independent of the Company, is responsible for risk management, reviewing and challenging the investment rationale and authorising recommendations to the Investment Manager. The IMC is made up of four members and a majority vote of three members will be required. The chairman of the IMC has a deciding vote in the event of a deadlock. The IMC obtains input from various parties.

Once a deal has been successfully approved by the IMC, the Investment Manager will appoint various advisers including lawyers, environmental consultants and buildings surveyors.

A checklist will be maintained by the Investment Manager throughout the process to demonstrate the progress made and any key issues or action points that arise are recorded. Once all the due diligence has been completed, the purchase checklist will be reviewed against the purchase price and signed off by the Investment Manager prior to exchange and completion will take place thereafter.

Investment Management Agreement

The Company and the Investment Manager have entered into the Investment Management Agreement, a summary of which is set out in paragraph 8.2 of Part 5 of this Registration Document, under which the Investment Manager has agreed to provide the Company with discretionary investment management services.

3 PROPERTY MANAGER

Workman LLP has been appointed as property manager to the Company pursuant to the Property Management Agreement (further details of which are set out in paragraph 8.3 of Part 5 of this Registration Document). In such capacity, the Property Manager will provide property management services to the Company in relation to the Portfolio.

4 ADMINISTRATOR

Capita Sinclair Henderson Limited has been appointed as Administrator to the Company pursuant to the terms of the Administration Agreement (further details of which are set out in paragraph 8.4 of Part 5 of this Registration Document). In such capacity the Administrator will be responsible for the day to day administration of the Company (including, but not limited to, the calculation and publication of the NAV and NAV per Share).

5 SECRETARY

Capita Company Secretarial Services Limited has been appointed as company secretary to the Company pursuant to the terms of the Company Secretarial Agreement (further details of which are set out in paragraph 8.5 of Part 5 of this Registration Document) to provide general company secretarial services to the Company (including, but not limited to, maintenance of the Company’s statutory records).

6 REGISTRAR

Computershare Investor Services PLC has been appointed to provide registrar services to the Company pursuant to the Registrar Agreement (further details of which are set out in paragraph 8.6 of Part 5 of this Registration Document). Under the Registrar Agreement the Registrar has responsibility for maintaining the register of Shareholders, receiving transfers of Shares for certification and registration and receiving and registering Shareholders' dividend payments together with related services.

7 DEPOSITARY

Langham Hall UK Depositary LLP has been appointed as Depositary to the Company pursuant to the terms of the Depositary Agreement (further details of which are set out in paragraph 8.8 of Part 5 of this Registration Document).

8 VALUER

Knight Frank has been appointed as Valuer to the Company and will provide valuations to the Company in accordance with the valuation policy set out in Part I of this Registration Document.

9 AUDITOR

KPMG LLP has been appointed to provide audit services to the Group. The annual reports and accounts will be prepared according to the accounting standards laid out under IFRS.

FEES AND EXPENSES

Formation and Initial Issue expenses

The formation and Initial Issue expenses of the Company are those which are necessary for the incorporation of the Company, the Initial Issue and the Initial Admission of Shares pursuant to the Initial Issue. These expenses include fees and commissions payable under the Share Issuance Agreement, admission fees, printing, legal, accounting fees, fees payable in respect of the preparation of the Prospectus and any other applicable expenses which will be met by the Company and paid on or around Admission of the Shares issued pursuant to the Initial Issue out of the gross proceeds of the Initial Issue.

The costs and expenses of the Initial Issue (including all fees, commissions and expenses payable to Fidante Capital) will be paid by the Company out of the proceeds of the Initial Issue. Such costs and expenses are fixed at 2 per cent. of the Gross Proceeds (i.e. £3 million assuming the gross proceeds of the Initial Issue are £150 million).

On-going annual expenses

Ongoing annual expenses include the following:

- *Management fees*
Under the Investment Management Agreement the Investment Manager receives a management fee which is calculated and accrues monthly at a rate equivalent to 0.75 per cent. per annum of NAV (excluding uninvested proceeds from the Share Issuance Programme and subsequent fundraisings). The fee is paid on a quarterly basis based on the prevailing NAV.
- *Property Manager*
Under the terms of the Property Management Agreement, the Property Manager is currently entitled to: (i) a fee of 0.325 per cent. of annual rents received (in respect of single let properties); (ii) fees capped at between eight per cent. and ten per cent. of annual service charges (in respect of multi-let properties); and (iii) a nominal charge (in respect of vacant buildings).
- *Administrator*
Under the terms of the Administration Agreement, the Administrator is entitled to receive a fee of £75,000 (exclusive of VAT) per annum. In addition, the Administrator is entitled to a fee of £8,000 (exclusive of VAT) per annum in respect of tax-related work and payroll for the Directors' fees. Fees are subject to annual increase in line with RPI.

- *Secretary*
Under the terms of the Company Secretarial Agreement, the Secretary is entitled to receive a fee of £50,000 (exclusive of VAT) per annum in addition to a fee of £1,750 (exclusive of VAT) in respect of services to be provided to the subsidiary of the Company.
- *Depositary*
Under the terms of the Depositary Agreement, the Depositary is entitled to receive a fee of £35,000 plus an additional fee of 0.3 bps on any funds in excess of £150 million (exclusive of VAT) per annum.
- *Registrar*
Under the terms of the Registrar Agreement, the Registrar is entitled to receive certain annual maintenance and activity fees.
- *Directors*
Each of the Directors is entitled to receive a fee from the Company, at such rate as is determined in accordance with the Articles. Save for the Chairman and the chair of the audit committee, the fees are £20,000 for each Director per annum. The Chairman's fee is £30,000 per annum and the fee for the chair of the audit committee is £25,000.
Each of the Directors is also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the business of the Company. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.
- *Valuer*
The Valuer is entitled to receive a fee of 0.03 per cent. of the aggregate Fair Value (as such term is defined in the Red Book) per annum excluding VAT, to be invoiced quarterly.
- *Auditor*
The Auditor will be entitled to an annual fee from the Company, which fee will be agreed with the Board each year in advance of the Auditor commencing audit work.
- *Other operational expenses*
Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, finance costs, legal fees (including reasonable expenses incurred on behalf of the Company by the Investment Manager), corporate broking fees, annual London Stock Exchange fees and AIC membership fees. These expenses will be deducted from the assets of the Company (which includes any income). All reasonable out of pocket expenses of the Investment Manager, the Administrator, the Registrar, the Valuer and the Directors relating to the Company will be borne by the Company.

CONFLICTS OF INTEREST

Investment Manager

The Investment Manager and its key individuals may from time to time act as manager, investment manager or investment adviser in relation to, or be otherwise involved in, other funds established by parties other than the Company, which may have similar objectives to those of the Company. In particular:

- AEW UK Investment Management LLP is investment manager to the Company and may act in the same capacity for other entities; and
- key individuals of the Investment Manager may be involved in other businesses or with other funds not involving the Company.

It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company albeit the Investment Manager will endeavour to keep all conflicts to a minimum. The Investment Manager will, at all times, pursuant to the terms of the Investment Management Agreement, have regard in such event to its obligations to the Company and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable laws, any of the foregoing may deal, as principal or agent, with the Company, provided that such

dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis with an independent counterparty. The Board will consider and, if appropriate, authorise any transactions with the Investment Manager or any of its funds.

In the event that conflicts do arise, the Investment Manager has adopted a stock allocation process pursuant to which it has been agreed that in terms of investment opportunities, the Investment Manager, on behalf of the Company, may express an interest in respect of investment opportunities which fall within the Investment Objective and Investment Policy whilst other mandates run by the Investment Manager may do the same. Should there be any unresolved competition for an investment opportunity, the deal will be reviewed by the Investment Manager in greater detail to determine whether the opportunity is in fact suitable for each proposed fund. This review will consider whether there is any aspect of the investment opportunity which ought to be a decisive factor in deciding on an allocation. This review may include consideration of whether an equitable allocation could be reached based on the need to rotate opportunities between funds, and at this stage, will also take account of any existing periodic rights of exclusivity granted by the Investment Manager in favour of any of the funds it manages. Any continuing conflict will be referred to the Investment Manager's stock allocation committee and, if the stock allocation committee is unable to determine the conflict, will be subject to the rotational allocation process. Under the rotational allocation process, the investment opportunity subject to the conflict will be allocated to the fund that was not the beneficiary on the previous occasion that the rotational allocation process was applied between the funds.

The Investment Manager has agreed not to launch and/or manage any new fund or investment product or managed account that principally invests in property assets in the alternatives sector with lease length that would provide a WAULT in excess of 18 years until 75 per cent. of the net proceeds of the Initial Issue have been fully invested.

Directors

In relation to transactions in which a Director is interested, the Articles provide that (i) subject to due disclosure no Director or proposed Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established; and (ii) a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company. A Director may be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. Certain of the Directors may act as directors to other companies within the group of, or funds managed by, the AEW Group. For further details see paragraph 6.11 of Part 5 of this Registration Document.

Mr. Henshilwood has been appointed by the trustees of the AEW UK Core Property Fund, AEW UK South East Office Fund and AEW UK Real Return Fund to act as chair of each of their governance committees. As Mr. Henshilwood is appointed by such trustees and is not an employee or professional adviser to any member of the AEW Group nor any such fund(s), he is considered by the Board to be independent of the Investment Manager for the purposes of the Listing Rules and the AIC Code.

THE TAKEOVER CODE

The Takeover Code applies to the Company.

CORPORATE GOVERNANCE

The Board supports high standards of Corporate Governance and the development of corporate governance policies and procedures in compliance with the requirements of the AIC Code, except as set out below.

The Company is a member of the AIC and intends to comply with the principles of good governance contained in the AIC Code (which complements the UK Corporate Governance Code and provides a framework of best practice for listed investment companies) with reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code as well as setting out additional principles and

recommendations on issues that are of specific relevance to the Company as an investment company. The Company intends to comply with all the requirements of the AIC Code, save as set out below.

There is no chief executive or senior independent director within the Company, which means that the Company cannot comply with this part of the AIC Code. As an investment company, all the Directors are non-executive and the Company has no employees. Accordingly, this part of the AIC Code is not relevant to the Company. The Company does not have a senior independent director because all of its Directors are non-executive and the Company has a Chairman. There are no other instances of non-compliance with the AIC Code or UK Corporate Governance Code by the Company as at the date of this Registration Document. The Company is also obliged to comply with MAR. The Board is responsible for taking all proper and reasonable steps to ensure compliance with MAR by the Directors.

The Board and Board Committees

As explained in paragraph 1 of this Part 3, the Board consists of four non-executive Directors, each of whom are considered by the Board to be independent of the Investment Manager. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Directors, including the Chairman, has been imposed. New Directors will receive an induction from the Company Secretary on joining the Board and all Directors receive other relevant training as necessary.

The performance of the Board committees and individual Directors is evaluated through an assessment process led by the Chairman. The performance of the Chairman is evaluated each year by the other Directors. The Articles require that the Directors submit themselves for re-election at least every three years, save that any non-independent director will be subject to annual re-election. Further details of the provisions in the Articles relating to the Directors are given at paragraph 6 of Part 5 of this Registration Document.

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

The Audit Committee

The Audit Committee comprises the full Board and is chaired by Jim Prower. The Audit Committee is responsible for reviewing the annual and half yearly accounts, the system of internal controls, and the terms of appointment and remuneration of the auditor. It is also the forum through which the auditor reports to the Board. The Audit Committee meets twice yearly. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditor, with particular regard to non-audit fees.

The Management Engagement and Remuneration Committee

The Management Engagement and Remuneration Committee comprises of independent non-executive directors and members shall be appointed by the Board. The Management Engagement and Remuneration Committee is chaired by Alan Sippetts and is responsible for reviewing the appropriateness of the continuing appointment of the Investment Manager together with the terms and conditions of the Investment Manager's appointment on a regular basis. The remuneration of the Chairman will be considered by the Management Engagement and Remuneration Committee in his absence.

Directors' share dealings

The Company has adopted a share dealing code in compliance with MAR and the Listing Rules. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

PART 4

REIT STATUS AND TAXATION

1 INTRODUCTION

1.1 *Principal advantage of REIT status*

The principal advantage of REIT status is that the Group will be exempt from UK corporation tax on both rental profits and chargeable gains on disposals of properties held by the Property Rental Business. This will remove the effective double tax charge currently suffered by many investors in UK companies (see paragraph 2.1 of this Part 4 for more information).

1.2 *Principal disadvantages of REIT status*

The principal disadvantages of REIT status are as follows:

- (a) in order for it to remain a REIT, the Group and the Company will have to comply with the various tests outlined in paragraph 2.2 of this Part 4 on an on-going basis; and
- (b) withholding tax of 20 per cent. must be deducted from certain distributions made to certain Shareholders (see paragraph 3 of this Part 4 for further details).

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

1.3 *Dividend policy under REIT regime*

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

1.4 *The Substantial Shareholder rule*

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

A summary of the Articles is set out at paragraph 6 of Part 5 and the relevant provisions intended to give the Board the powers it needs to demonstrate to HMRC that "reasonable steps" have been taken to avoid making distributions to Substantial Shareholders are set out in paragraphs 3.2 and 3.3 of this Part 4.

1.5 *Non-close company condition*

As mentioned below in paragraph 2.2 of this Part 4, the Company must not be a close company other than only by virtue of having as a participator an institutional investor. An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership, a registered social landlord or an open-ended investment company. However the Company may be close for tax purposes for up to three years after joining the regime. If the non-close company requirement is not met at the start of the first day after the end of the first three-year period, the Group will lose its REIT status at the end of the three-year period. If the non-close company requirement is not met at any time after the first day following the first three-year period, the Group will cease to be a REIT at the end of the accounting period preceding the accounting period in which the breach began or, if later, the end of the first three-year period. Loss of REIT status would have a material impact on the Group because of the loss of tax benefits conferred by the REIT regime.

Although the Board does not expect the close company condition to be breached in the ordinary course of events, there is a risk that the Company may fail to meet this condition for reasons beyond its control. However, under certain circumstances a breach of this condition

may be disregarded if the reason for the breach is because the Company becomes a member of another group REIT or if the breach is the result of anything done (or not done) by a person other than the Company and the Company remedies the breach before the end of the accounting period after that in which the breach began.

1.6 *Exit from the REIT regime*

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

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

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

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

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

- (a) the conditions for REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached;
- (b) the Company ceases to be UK resident for tax purposes;
- (c) the Company becomes dual resident for tax purposes; or
- (d) the Company becomes an open-ended company.

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

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

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

2 THE REIT REGIME

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

2.1 *Overview*

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

Investing in property through a corporate investment vehicle (such as a UK company) has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholders (but not most UK companies) effectively suffer tax twice on the same income:

first, indirectly, when the vehicle pays UK direct tax on its profits; and secondly, directly when the shareholder receives a dividend. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT in a manner they do not suffer if they invest directly in the property assets.

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

While within the REIT regime, the Property Rental Business will be treated as a separate business for UK corporation tax purposes to the Residual Business, and a loss incurred by the Property Rental Business cannot be set off against profits of the Residual Business (and vice versa).

A REIT will be required to distribute to its shareholders (by way of a dividend in cash or by way of an issue of share capital in lieu of a cash dividend), on or before the filing date for the REIT’s tax return for the accounting period in question, at least 90 per cent. of the income profits (calculated using normal tax rules) of the Property Rental Business arising in each accounting period. Where a stock dividend has been issued and a market value of the stock dividend has had to be used which causes the distribution requirement not to be met, an extended time limit of up to six months beginning with the filing date applies for complying with the distribution requirement. Failure to meet this requirement will result in a UK corporation tax charge calculated by reference to the extent of the failure, although this charge can be avoided if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level.

In this Registration Document, references to the Company’s accounting period are to its accounting period for tax purposes. This period can differ from the Company’s accounting period for other purposes.

Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the UK tax treatment of Shareholders after entry into the REIT regime are contained in paragraph 3 of this Part 4.

2.2 *Qualification as a REIT*

A group becomes a REIT by serving notice on HMRC on or before the date from which it wishes to come under the REIT regime. In order to qualify as a REIT, the Company and the Group must satisfy certain conditions set out in Part 12 of CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the Company and the Group must satisfy the conditions set out in paragraphs 2.2(a) to 2.2(e) below.

(a) Company conditions

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

(b) Share capital restrictions

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

(c) Interest restrictions

The principal company of a REIT must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets. A loan is not treated as carrying results-dependent interest by reason only that the terms of the loan provide for interest to reduce if the results improve or to increase if the results deteriorate. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

(d) Conditions for the Property Rental Business

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

- the Property Rental Business must, throughout the accounting period, involve at least three properties. A self-contained studio flat or a one to three bedroom flat within a residential block counts as a single property for these purposes;
- throughout the accounting period, no one property may represent more than 40 per cent. of the total value of all the properties involved in the Property Rental Business. Assets must be valued in accordance with IFRS, and at fair value when IFRS offers a choice between a cost basis and a fair value basis;
- at least 90 per cent. of the amounts shown in the financial statements of the group as income profits (broadly, calculated using normal tax rules) must be distributed to shareholders of the REIT in the form of a PID on or before the filing date for the REIT's tax return for the accounting period (the "90 per cent. distribution test"). For the purpose of satisfying the 90 per cent. distribution test, any dividend withheld in order to comply with the rule relating to Substantial Shareholders (as described in paragraph 2.3(b) below) will be treated as having been paid. The issue of stock dividends will count towards the 90 per cent. threshold;
- the income profits arising from the qualifying Property Rental Business must represent at least 75 per cent. of the company's total profits for the accounting period (the "75 per cent. profits test"). Profits for this purpose means profits before deduction of tax and excludes realised and unrealised gains and losses (for example, gains and losses on the disposal of property, and gains and losses on the revaluation of properties) calculated in accordance with IFRS; and
- at the beginning of the accounting period the value of the assets in the Property Rental Business must represent at least 75 per cent. of the total value of assets held by the group (the "75 per cent. assets test"). Cash held on deposit and gilts may be added to the value of assets relating to qualifying Property Rental Business for the purpose of meeting the 75 per cent. assets test. Non-cash assets must be valued in accordance with IFRS and at fair value where IFRS offers a choice of valuation between cost basis and fair value. In applying this test, no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically).

(e) Investment in other REITs

Any distribution of profits or gains of the Property Rental Business by the principal company of a group UK REIT received by another REIT are treated as tax exempt profits of the Property Rental Business of the investing REIT. The investing REIT would be required to distribute 100 per cent. of such distributions to its shareholders. For the purposes of the 75 per cent. assets test, the investment by a REIT in the shares of another REIT will be included as an asset of the investing REIT's Property Rental Business.

2.3 Effect of becoming a REIT

(a) Tax savings

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

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

(b) The Substantial Shareholder rule

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

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

(c) Dividends

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

(d) Interest cover ratio

A tax charge will arise if, in respect of any accounting period, the ratio of the Group's income profits (before capital allowances) in respect of its Property Rental Business to the financing costs incurred in respect of the Property Rental Business is less than 1.25. The ratio is based on the cost of debt finance taking into account interest, amortisation of discounts or premiums and the financing expense implicit in payments made under finance leases. The corporation tax charge is capped at a maximum of 20 per cent. of the profits of the Property Rental Business for the accounting period in question.

(e) Certain tax avoidance arrangements

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

(f) Movement of assets in and out of the Property Rental Business

In general, where an asset owned by a REIT and used for the Property Rental Business begins to be used for the Residual Business, there will be a tax-free step up in the base cost of the property. Where an asset used for the Residual Business begins to be used for the Property Rental Business, this will generally constitute a taxable market value disposal of the asset, except for capital allowances purposes. Special rules apply to disposals by way of a trade and of development property.

(g) Joint ventures

If a REIT is beneficially entitled to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding-up, that joint venture company is carrying on a qualifying property rental business which satisfies the 75 per cent. profits test and the 75 per cent. assets test (the “**JV company**”) and certain other conditions are satisfied, the REIT may, by giving notice to HMRC, elect for the relevant proportion of the assets and income of the JV company to be included in the Property Rental Business for tax purposes. In such circumstances, the income and assets of the JV company will count towards the 90 per cent. distribution test, the 75 per cent. profits test and the 75 per cent. assets test to the extent of a REIT’s interest in the JV company. Note that these rules also apply to joint venture groups.

(h) Acquisitions and takeovers

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

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

3 DESCRIPTION OF THE REIT PROVISIONS INCLUDED IN THE ARTICLES

3.1 Introduction

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

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

The Articles contain special articles for this purpose (the “**Special Articles**”). The text of the Special Articles is set out in paragraph 4 of this Part 4.

The Special Articles:

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

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

3.2 *Identification of Substantial Shareholders*

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

Accordingly, the Special Articles require a Substantial Shareholder and any registered Shareholder holding Shares on behalf of a Substantial Shareholder to notify the Company if his Shares form part of a Substantial Shareholding. Such a notice must be given within two business days. The Special Articles give the Board the right to require any person to provide information in relation to any Shares in order to determine whether the Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which is seven days after a request is made or such other period as the Board may decide), the Board is entitled to impose sanctions, including withholding dividends (as described in paragraph 4.3 below) and/or requiring the transfer of the Shares to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph 4.6 below).

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

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

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

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

For this purpose references to the “**transfer**” of a Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Share.

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

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

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

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

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

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

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

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

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

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

3.6 *Mandatory sale of Substantial Shareholdings*

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

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

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

3.7 *Takeovers*

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

3.8 *Other*

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

The Special Articles may be amended by special resolution passed by the Shareholders in the future, including to give powers to the Directors to ensure that the Company can comply with the close company condition described in paragraph 2.2(a) of this Part 4, which powers may include the ability to arrange for the sale of Shares on behalf of Shareholders.

4 THE SPECIAL ARTICLES

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

"REAL ESTATE INVESTMENT TRUST

3. CARDINAL PRINCIPLE

- 3.1 It is a cardinal principle that, for so long as the Company qualifies as a REIT or is the principal company of a group REIT for the purposes of Part 12 of the CTA 2010, it should not be liable to pay tax under Section 551 of the CTA 2010 on or in connection with the making of a Distribution.
- 3.2 Articles 4 to 8 support such cardinal principle by, among other things, imposing restrictions and obligations on the members and, indirectly, certain other persons who may have an interest in the Company, and shall be construed accordingly so as to give effect to such cardinal principle.

4. NOTIFICATION OF SUBSTANTIAL SHAREHOLDER AND OTHER STATUS

- 4.1 Each member and any other relevant person shall serve notice in writing on the Company at the Office on:
 - 4.1.1 him becoming a Substantial Shareholder (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the member(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the Directors may require from time to time);
 - 4.1.2 him becoming a Relevant Registered Shareholder (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the Directors may require from time to time); and
 - 4.1.3 any change to the particulars contained in any such notice, including on the relevant person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.Any such notice shall be delivered by the end of the second Business Day after the day on which the person becomes a Substantial Shareholder or a Relevant Registered Shareholder or the change in relevant particulars or within such shorter or longer period as the Directors may specify from time to time.
- 4.2 The Directors may at any time give notice in writing to any person requiring him, within such period as may be specified in the notice (being seven days from the date of service of the notice or such shorter or longer period as the Directors may specify in the notice), to deliver to the Company at the Office such information, certificates and declarations as the Directors may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such person shall deliver such information, certificates and declarations within the period specified in such notice.

5. DISTRIBUTIONS IN RESPECT OF SUBSTANTIAL SHAREHOLDINGS

- 5.1 In respect of any Distribution, the Directors may, if the Directors determine that the condition set out in Article 5.2 is satisfied in relation to any Shares, withhold payment of such Distribution on or in respect of such Shares. Any Distribution so withheld shall be paid as provided in Article 5.3 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 5.2 The condition referred to in Article 5.1 is that, in relation to any Shares and any Distribution to be paid or made on and in respect of such Shares:
 - 5.2.1 the Directors believe that such Shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and

- 5.2.2 the Directors are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid, and, for the avoidance of doubt, if the Shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.
- 5.3 If a Distribution has been withheld on or in respect of any Shares in accordance with Article 5.1, it shall be paid as follows:
- 5.3.1 if it is established to the satisfaction of the Directors that the condition in Article 5.2 is not satisfied in relation to such Shares, in which case the whole amount of the Distribution withheld shall be paid; and
- 5.3.2 if the Directors are satisfied that sufficient interests in all or some of the Shares concerned have been transferred to a third party so that such transferred Shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such Shares shall be paid (provided the Directors are satisfied that following such transfer such Shares concerned do not form part of a Substantial Shareholding); and
- 5.3.3 if the Directors are satisfied that as a result of a transfer of interests in Shares referred to in Article 5.3.2 above the remaining Shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such Shares shall be paid.
- In this Article 5.3, references to the “transfer” of a Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Share.
- 5.4 A Substantial Shareholder may satisfy the Directors that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The Directors shall be entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the Directors shall be entitled to require such other information, certifications or declarations as they think fit.
- 5.5 The Directors may withhold payment of a Distribution on or in respect of any Shares if any notice given by the Directors pursuant to Article 5.2 in relation to such Shares shall not have been complied with to the satisfaction of the Directors within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the Directors unless the Directors withhold payment pursuant to Article 5.1 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 5.6 If the Directors decide that payment of a Distribution should be withheld under Article 5.1 or Article 5.5, they shall within seven Business Days give notice in writing of that decision to the Relevant Registered Shareholder.
- 5.7 If any Distribution shall be paid on a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall pay the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to Article 7.2 or out of any subsequent Distribution in respect of the Shares to such person or to the members of all Shares in relation to or by virtue of which the Directors believe that person has an interest in the Company (whether that person is at that time a Substantial Shareholder or not).

6. DISTRIBUTION TRUST

- 6.1 If a Distribution is paid in respect of a Substantial Shareholding in circumstances where the Substantial Shareholder is not beneficially entitled to the Distribution, the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution is transferred by the payee on trust absolutely for the persons nominated by the relevant Substantial Shareholder under Article 6.2 in such proportions as the relevant Substantial Shareholder shall in the nomination director, subject to and in default of such nomination being validly made within 12 years after the date the Distribution is made, for the Company or for such charity as may be nominated by the Directors from time to time.

- 6.2 The relevant Substantial Shareholder of Shares in respect of which a Distribution is paid shall be entitled to nominate in writing any two or more persons (not being Substantial Shareholders) to be the beneficiaries of the trust on which the Distribution is held under Article 6.1 and the Substantial Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated persons, failing which the Distribution shall be held on trust for the nominated persons in equal proportions. No person may be nominated under this Article 6.2 who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial Shareholder making the nomination is not by virtue of Article 6.1 the trustee of the trust, the nomination shall not take effect until it is delivered to the person who is the trustee.
- 6.3 Any income arising from a Distribution which is held on trust under Article 6.1 shall until the earlier of (i) the making of a valid nomination under Article 6.2 and (ii) the expiry of the period of 12 years from the date when the Distribution is paid be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.
- 6.4 No person who by virtue of Article 6.1 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- 6.5 No person who by virtue of Article 6.1 holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated person, the fraud or wilful wrongdoing of its directors, officers or employees.

7. OBLIGATION TO DISPOSE

7.1 If at any time, the Directors believe that:

7.1.1 in respect of any Distribution declared or announced, the condition set out in Article 5.2 is satisfied in respect of any Shares in relation to that Distribution; or

7.1.2 a notice given by the Directors pursuant to Article 4.2 in relation to any Shares has not been complied with to the satisfaction of the Directors within the period specified in such notice; or

7.1.3 any information, certificate or declaration provided by a person in relation to any Shares for the purposes of this Article 7.1 was materially inaccurate or misleading,

the Directors may give notice in writing (a “**Disposal Notice**”) to any persons they believe are Relevant Registered Shareholders in respect of the relevant Shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the Directors consider to be appropriate in the circumstances) to dispose of such number of Shares the Directors may in such notice specify or to take such other steps as will cause the condition set out in Article 5.2 no longer to be satisfied. The Directors may, if they think fit, withdraw a Disposal Notice.

7.2 If:

7.2.1 the requirements of a Disposal Notice are not complied with to the satisfaction of the Directors within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or

7.2.2 a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable,

the Directors may arrange for the Company to sell all or some of the Shares to which the Disposal Notice relates or, as the case may be, that form part of the Substantial Shareholding concerned. For this purpose, the Directors may make such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant Share and, in the case of Shares in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant Share through a relevant system.

7.3 Any sale pursuant to Article 7.2 above shall be at the price which the Directors consider is the best price reasonably obtainable and the Directors shall not be liable to the holder or holders of the relevant Share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.

- 7.4 The net proceeds of the sale of any Share under Article 7.2 (less any amount to be retained pursuant to Article 5.5 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant Share upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.
- 7.5 The title of any transferee of Shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this Article 7.

8. GENERAL

- 8.1 The Directors shall be entitled to presume without enquiry, unless any Director has reason to believe otherwise, that a person is not a Substantial Shareholder or a Relevant Registered Shareholder.
- 8.2 The Directors shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular person) pursuant to Articles 3 to 8 and any such determination or decision shall be final and binding on all persons unless and until it is revoked or changed by the Directors. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to Articles 3 to 8 shall be binding on all persons and shall not be open to challenge on any ground whatsoever.
- 8.3 Without limiting their liability to the Company, the Directors shall be under no liability to any other person, and the Company shall be under no liability to any member or any other person, for identifying or failing to identify any person as a Substantial Shareholder or a Relevant Registered Shareholder.
- 8.4 The Directors shall not be obliged to serve any notice required under Articles 3 to 8 upon any person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any person upon whom notice is required to be served under Articles 3 to 8 shall not prevent the implementation of or invalidate any procedure under Articles 3 to 8.
- 8.5 The provisions of Articles 160 to 165 shall apply to the service upon any person of any notice required by Articles 3 to 8. Any notice required by Articles 3 to 8 to be served upon a person who is not a member or upon a person who is a member but whose address is not within the United Kingdom shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that person or member at the address if any, at which the Directors believe him to be resident or carrying on business or, in the case of a holder of depository receipts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.
- 8.6 Any notice required or permitted to be given pursuant to Articles 3 to 8 may relate to more than one Share and shall specify the Share or Shares to which it relates.
- 8.7 The Directors may require from time to time any person who is or claims to be a person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such certificates or declarations as they may require from time to time.
- 8.8 Any of Articles 3 to 8 may be amended by special resolution from time to time, including to give powers to the Directors to take such steps as they may require in order to ensure that the Company can satisfy Condition D of Section 528 of the CTA 2010 which relates to close company status, which powers may include the ability to arrange for the sale of Shares on behalf of members.
- 8.9 Where any certificate or declaration may be or is required to be provided by any person (including, without limitation, a Distribution Transfer Certificate) pursuant to any of Articles 3 to 8, such certificate or declaration may be required by the Directors (without limitation):
- 8.9.1 to be addressed to the Company, the Directors or such other persons as the Directors may determine (including HMRC);
- 8.9.2 to include such information as the Directors consider is required for the Company to comply with any Reporting Obligation;

- 8.9.3 to contain such legally binding representations and obligations as the Directors may determine;
- 8.9.4 to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;
- 8.9.5 to be copied or provided to such persons as the Directors may determine (including HMRC); and
- 8.9.6 to be executed in such form (including as a deed or deed poll) as the Directors may determine.

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

PART 5

GENERAL INFORMATION

1 THE COMPANY

- 1.1 The Company was incorporated in England and Wales on 18 April 2017 with registered number 10727886 as a public company limited by shares under the Companies Act. The Company was incorporated with the name AEW UK Real Return REIT plc. On 4 May 2017 the Company changed its name to AEW UK Long Lease REIT plc. The Company has an indefinite life.
- 1.2 The principal place of business and registered office of the Company is 40 Dukes Place, London EC3A 7NH with telephone number +44 (0)20 7954 9584.
- 1.3 The principal legislation under which the Company operates is the Companies Act. The Company will not be regulated as a collective investment scheme by the FCA. However, the Shares will be admitted to the premium listing segment of the Official List and to trading on the Main Market. The Company and Shareholders will be subject to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR.
- 1.4 The Company has not commenced operations since incorporation and, as at the date of this Registration Document, no financial statements have been made up and no dividends have been declared by the Company.
- 1.5 On 9 May 2017, the Company was granted a certificate under Section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.6 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to Section 833 of the Companies Act.
- 1.7 The Company is domiciled in England and Wales and as, at 16 May 2017 (being the latest practicable date prior to publication of this Registration Document), does not have any employees and does not own any premises.

2 SUBSIDIARIES

- 2.1 The Company has a wholly owned subsidiary, AEW UK Long Lease REIT 2017 Limited, which was incorporated in England and Wales on 4 May 2017.
- 2.2 Save for AEW UK Long Lease REIT 2017 Limited, the Company has no subsidiaries or subsidiary undertakings.

3 SHARE CAPITAL

- 3.1 The principal legislation under which the Company operates, and under which the Shares were created, is the Companies Act. The Shares are denominated in Sterling.
- 3.2 The Company's share capital: (i) as at the date of this Registration Document, and (ii) as it will be immediately following Initial Admission (assuming 150 million Shares are issued in the Initial Issue) is as follows:

	<i>Shares</i>		<i>Restricted Shares</i>	
	<i>Aggregate nominal value</i>	<i>Number</i>	<i>Aggregate nominal value</i>	<i>Number</i>
(i) As at the date of this Registration Document	£0.01	1	£50,000	50,000
(ii) Immediately following the Initial issue*	£1,500,000	150,000,000	—	—

*All Shares will be fully paid at Initial Admission. The Restricted Shares were issued to enable the Company to be granted a certificate under Section 761 of the Companies Act (see paragraph 1.5 of this Part 5 above) and will be redeemed at par immediately following Initial Admission out of the proceeds of the Initial Issue. The Shares are not redeemable.

- 3.3 On incorporation on 18 April 2017, one Share was issued at £1.00 (fully paid) for the purposes of incorporation to the subscriber to the Company's memorandum of association. On 4 May 2017, 50,000 Restricted Shares were issued at par (fully paid) to the Investment Manager.

- 3.4 The effect of the Initial Issue will be to increase the net assets of the Company. On the assumption that the gross proceeds of the Initial Issue are £150 million, the Initial Issue is expected to increase the net assets of the Company by c.£147 million. The Initial Issue is expected to be earnings enhancing.
- 3.5 By ordinary and special resolutions passed on 8 May 2017:
- (a) the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 300 million Shares, such authority to expire at the later of the third annual general meeting of the Company and 31 December 2020 save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;
 - (b) the Directors were generally empowered (pursuant to section 570 of the Companies Act) to allot Shares and to sell Shares from treasury for cash pursuant to the authority referred to in paragraph 3.5(a) above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the later of the conclusion of the third annual general meeting of the Company and 31 December 2020, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Shares to be allotted and/or transferred after such expiry and the Directors may allot and/or transfer Shares in pursuance of such an offer or agreement as if such power had not expired;
 - (c) conditionally upon the issue of Shares by the Company pursuant to the Initial Issue, and the payment up in full thereof, it was resolved that the amount standing to the credit of the share premium account of the Company following completion of the Initial Issue be cancelled;
 - (d) the Company was authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Shares provided that the maximum number of Shares authorised to be purchased is 14.99 per cent. of the Shares in issue immediately following completion of the Initial Issue. The minimum price which may be paid for a Share is £0.01. The maximum price which may be paid for a Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market value of the Shares for the five Business Days before the purchase is made; or (ii) the higher of the last independent trade and the highest current independent bid for Shares. Such authority will expire on the conclusion of the first annual general meeting of the Company save that the Company may contract to purchase Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or maybe executed wholly or partly after the expiry of such authority and may purchase Shares in pursuance of such contract; and
 - (e) a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 days' notice.
- 3.6 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraph 3.5 above.
- 3.7 The Companies Act abolished the requirement for companies incorporated in England and Wales to have an authorised share capital. Furthermore, the Articles do not contain a provision expressly limiting the number of Shares that can be issued by the Company.
- 3.8 In accordance with the power granted to the Directors by the Articles, it is expected that the Shares will be allotted (conditionally upon Initial Admission) pursuant to a resolution of the Board to be passed shortly before Initial Admission in accordance with the Companies Act.
- 3.9 Save as disclosed in this paragraph 3, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and, save for the Share Issuance Programme no such issue is now proposed. No shares in the capital of the Company are held by or on behalf of the Company.

- 3.10 The Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 3.11 All of the Shares are in registered form and are eligible for settlement in CREST. Temporary documents of title will not be issued.

4 INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- 4.1 The Directors and their associates intend to subscribe for Shares pursuant to the Initial Issue in the amounts set out below:

<i>Name</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital* (%)</i>
Stephen Smith	20,000	0.01
Alan Sippetts	20,000	0.01
George Henshilwood	20,000	0.01

* assuming 150 million Shares are issued pursuant to the Initial Issue.

- 4.2 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 4.3 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 4.4 Over the five years preceding the date of this Registration Document, the Directors hold or have held the following directorships (apart from their directorships of the Company's subsidiary, AEW UK Long Lease REIT 2017 Limited) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Stephen Smith	Tritax Big Box REIT plc The Norman Retail Park LLP Rubicon Securities Limited Gatehouse Bank Plc Starwood European Real Estate Finance The Pollen Estate Trustee Company Ltd Network Rail Property Ltd UK Land Estates Partnership (Holdings) Limited Ever 1855 Limited North East Property Partnership Limited UK Land Estates (Partnership) Limited UKLEP (2003) Limited	British Land Company Plc Meadowhall (MLP) Limited Meadowhall Contracts Limited Meadowhall Finance Plc Meadowhall Holdco Limited Meadowhall Nominee 1 Limited Crossbelt Limited Meadowhall Nominee 2 Limited Meadowhall Shopping Centre Limited Meadowhall Shopping Centre Property Holdings Limited Meadowhall Subco Limited MSC (Cash Management) Limited MSC Property Intermediate Holdings Limited Drake Property Holdings Limited Drake Property Nominee (No. 1) Limited Drake Property Nominee (No. 2) Limited Broadgate Estates Limited 1 & 4 & 7 Triton Limited 1-2 Logan Place Limited 10 Brock Street Limited 17-19 Bedford Street Limited 18-20 Craven Hill Gardens Limited 20 Brock Street Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
		20 Triton Street Limited
		338 Euston Road Limited
		350 Euston Road Limited
		39 Victoria Street Limited
		8/10 Throgmorton Avenue Limited
		Adshilta Limited
		Apartpower Limited
		B.L.Holdings Limited
		Balsenia Limited
		Bayeast Property Co Limited
		Bexile Limited
		BF Propco (No.1) Limited
		BF Propco (No.10) Limited
		BF Propco (No.12) Limited
		BF Propco (No.13) Limited
		BF Propco (No.19) Limited
		BF Propco (No.3) Limited
		BF Propco (No.4) Limited
		BF Propco (No.5) Limited
		BF Properties (No.4) Limited
		BF Properties (No.5) Limited
		BL (Maidenhead) Company Limited
		BL (SP) Investment (1) Limited
		BL (SP) Investment (2) Limited
		BL (SP) Investment (3) Limited
		BL (SP) Investment (4) Limited
		BL Bradford Forster Limited
		BL City Offices Holding Company Limited
		BL Clifton Moor Limited
		BL Cwmbran Limited
		BL Davidson Limited
		BL Department Stores Holding Company Limited
		BL Doncaster Wheatley Limited
		BL Guaranteeco Limited
		BL HC (DSCH) Limited
		BL HC (DSCLI) Limited
		BL HC Dollview Limited
		BL HC Health and Fitness Holdings Limited
		BL HC Invic Leisure Limited
		BL HC Property Holdings Limited
		BL Health Clubs PH No 1 Limited
		BL Health Clubs PH No 2 Limited
		BL High Street and Shopping Centres Holding Company Limited
		BL Intermediate Holding Company Limited
		BL Leisure and Industrial Holding Company Limited
		BL Meadowhall Holdings Limited
		BL Meadowhall Limited
		BL Meadowhall No 4 Limited
		BL Office (Non-City) Holding Company Limited
		BL Office Holding Company Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
		BL Osnaburgh St Residential Limited
		BL Residual Holding Company Limited
		BL Retail Holding Company Limited
		BL Retail Warehousing Holding Company Limited
		BL Superstores Holdings Company Limited
		BL Triton Building Residential Limited
		BL Universal Limited
		BL West (Watling House) Limited
		Blackglen Limited
		Blaxmill (Thirty) Limited
		Blaxmill (Twenty-Nine) Limited
		BLD (A) Limited
		BLD (Ebury Gate) Limited
		BLD (SJ) Investments Limited
		BLD (SJ) Limited
		BLD Land Limited
		BLD Properties Limited
		BLD Property Holdings Limited
		BLSSP (Funding) Limited
		BLU Estates Limited
		BLU Property Management Limited
		BLU Securities Limited
		Boldswitch (No 1) Limited
		Boldswitch Limited
		British Land (Joint Ventures) Limited
		British Land Acquisitions Limited
		British Land Aqua Partnership (2) Limited
		British Land Aqua Partnership Limited
		British Land City
		British Land City 2005 Limited
		British Land City Offices Limited
		British Land Construction Limited
		British Land Department Stores Limited
		British Land Industrial Limited
		British Land Leisure Limited
		British Land Offices (Non-City) Limited
		British Land Offices (Non-City) No. 2 Limited
		British Land Property Management Limited
		British Land Regeneration Limited
		British Land Retail Warehouse Limited
		British Land Securitisation 1999
		British Land Superstores (Non Securitised) Number 2 Limited
		Broadgate (PHC 8) Limited
		Broadgate Adjoining Properties

<i>Name</i>	<i>Current</i>	<i>Previous</i>
		Limited
		Broadgate City Limited
		Broadgate Court Investments Limited
		Broadgate Investment Holdings Limited
		Broadgate Properties Limited
		Broadgate Square Limited
		Brunswick Park Limited
		BVP Developments Limited
		Caseplane Limited
		Cavendish Geared II Limited
		Cavendish Geared Limited
		Caymall Limited
		Cheshire Properties Limited
		Chrisilu Nominees Limited
		City Wall (Holdings) Limited
		Cornish Residential Properties Trading Limited
		Cornish Residential Property Investments Limited
		Derby Investment Holdings Limited
		Eastgate Shopping Centre Basildon Limited
		Elementvirtue Limited
		Euston Tower Limited
		Exchange House Holdings Limited
		Finsbury Avenue Estates Limited
		Four Broadgate Limited
		Garamead Properties Limited
		Gardenray Limited
		Giltbrook Retail Park Nottingham Limited
		Glenway Limited
		Hyfleet Limited
		Industrial Real Estate Limited
		Insistmetal 2 Limited
		Kingsmere Productions Limited
		L & H Developments Limited
		Legal & General Grenfell Limited
		Legal & General Kingston Upon Hull Limited
		Linestair Limited
		Liverpool Exchange Company Limited
		Lonebridge UK Limited
		Ludgate Investment Holdings Limited
		Ludgate West Limited
		Manbrig Properties
		Mayfair Properties
		Mayflower Retail Park Basildon Limited
		Meadowbank Retail Park Edinburgh Limited
		Meadowhall Group (MLP) Limited
		Mercari Holdings Limited
		Minhill Investments Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
		Moorage (Property) Developments) Limited
		Nugent Shopping Park Limited
		Orbital Shopping Park Swindon Limited
		Osnaburgh Street Limited
		Pillar Nugent Limited
		Plantation House Limited
		Project Sunrise Investments Limited
		Project Sunrise Limited
		Project Sunrise Properties Limited
		Rackhams Birmingham Limited
		Rebonline Limited
		Rigphone Limited
		Salmax Properties
		Six Broadgate Limited
		Sprint 1118 Limited
		St James Retail Park Northampton Limited
		St. Stephens Shopping Centre Limited
		Stockton Retail Park Limited
		Sydale
		Tailress Limited
		The Beehive Centre Cambridge Limited
		The Mary Street Estate Limited
		The Retail & Warehouse Company Limited
		TPP Investments Limited
		Union Property Corporation Limited
		Union Property Holdings (London) Limited
		United Kingdom Property Company Limited
		Wardrobe Court Limited
		Wardrobe Holdings Limited
		Wardrobe Place Limited
		Westgate Retail Park Wakefield Limited
		York House W1 Limited
		51 Lime Street
		BF Propco (No.11) Limited
		BF Propco (No.14) Limited
		BF Propco (No.15) Limited
		BF Propco (No.16) Limited
		BF Propco (No.17) Limited
		BF Propco (No.18) Limited
		BF Propco (No.2) Limited
		BF Propco (No.20) Limited
		BF Propco (No.21) Limited
		BF Propco (No.22) Limited
		BF Propco (No.23) Limited
		BF Propco (No.6) Limited
		BF Propco (No.7) Limited
		BF Propco (No.8) Limited
		BF Propco (No.9) Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
		Bustoni Limited BVP Financing Limited BVP Holdings Limited Clivara Limited LSL Holdco 1 Limited LSL Holdco 2 Limited Dwyer Asset Management Plc British Land In Town Retail Limited 10 Triton Street Limited Eastern & Oriental Plc 334 Ramsbury Oxford Limited BL (SP) Cannon Street Limited
Jim Prower	Argent Investments LLP Empiric Student Property Plc Empiric Student Property Trustees Limited Tritax Big Box REIT plc	Miller Argent (Nominee No. 1) Limited Miller Argent (South Wales) Limited Miller Argent (Ffos-y-Fran) Limited Ffos-y-Fran (Commoners) Limited Miller Argent Holdings Limited Argent (Property Development) Services LLP Argent Group Limited Argent Estates Limited Argent Group Developments Plc Brindleyplace Plc Argent (King's Cross) Limited Argent (Paradise) Limited Argent (Piccadilly Gardens) Limited Argent Brindleyplace Investments Limited Argent Piccadilly Place (No.2) Limited Argent Piccadilly Place (No.1) Limited Piccadilly Place General Partner Limited Piccadilly Place Trustee (No.1) Limited Piccadilly Place Trustee (No.2) Limited Argent (Stevenson Square) Limited Piccadilly Place Trustee (No.3) Limited Piccadilly Place Trustee (No.4) Limited Argent King's Cross GP Limited Argent King's Cross Nominee Limited Argent Projects No 4 GP Limited Argent Nominee 1 Limited Argent Nominee 2 Limited Argent Projects No 4 Nominee Limited Five Piccadilly Management Company Limited KCC Nominee 1 (P2) Limited KCC Nominee 2 (P2) Limited KCC Nominee 1 (R1) Limited KCC Nominee 1 (R6) Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
		KCC Nominee 2 (Q1) Limited
		KCC Nominee 1 (Q1) Limited
		KCC Nominee 1 (R3/R6) Limited
		KCC Nominee 2 (R1) Limited
		KCC Nominee 2 (R3/R6) Limited
		KCC Nominee 2 (R6) Limited
		Arthouse Manco Limited
		KCC Nominee 1 (J) Limited
		KCC Nominee 1 (T5) Limited
		KCC Nominee 1 Limited
		KCC Nominee 2 (J) Limited
		KCC Nominee 2 (T5) Limited
		KCC Nominee 2 Limited
		King's Cross Central (Trustee No. One) Limited
		King's Cross Central (Trustee No. Two) Limited
		KCC Nominee 1 (B3) Limited
		KCC Nominee 2 (B3) Limited
		KCC Nominee 1 (R5N) Limited
		KCC Nominee 2 (R5N) Limited
		King's Cross Central General Partner Limited
		KCC Nominee 2 (P1) Limited
		KCC Nominee 1 (P1) Limited
		KCC Nominee 1 (P1 RESI) Limited
		KCC Nominee 2 (P1 RESI) Limited
		King's Cross Events Limited
		KCC Nominee 1 (T1) Limited
		KCC Nominee 2 (T1) Limited
		KC (B2&B4) GP Limited
		KCC Nominee 1 (B2) Limited
		KCC Nominee 1 (B4) Limited
		KCC Nominee 1 (B5) Limited
		KCC Nominee 2 (B2) Limited
		KCC Nominee 2 (B4) Limited
		KCC Nominee 2 (B5) Limited
		Prometheus Regeneration Limited
		Sisyphus Limited
		KCC Nominee 1 (WTS) Limited
		KCC Nominee 2 (WTS) Limited
		KCC Nominee 1 (MGS) Limited
		KCC Nominee 1 (Coal Drops) Limited
		KCC Nominee 1 (R2) Limited
		KCC Nominee 2 (Coal Drops) Limited
		KCC Nominee 2 (MGS) Limited
		KCC Nominee 2 (R2) Limited
		KCC Nominee 1 (T1 RESI) Limited
		KCC Nominee 2 (T1 RESI) Limited
		Argent Projects No. 4 GP Limited
		Argent Projects No. 4 Nominee Limited
		Tapestry Manco Limited
		King's Cross Estate Services Limited
		KCC Nominee 1 (GG) Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
		KCC Nominee 2 (GG) Limited KCC Nominee 1 (G1PAV) Limited KCC Nominee 2 (G1PAV) Limited Plimsoll Manco Limited Tritax REIT Acquisition 3 Limited KCC Nominee 1 (B6) Limited KCC Nominee 2 (B6) Limited Tritax REIT Acquisition 8 Limited Tritax REIT Acquisition 9 Limited KCC Nominee 1 (N1 RESI) Limited KCC Nominee 1 (N1) Limited KCC Nominee 1 (R7) Limited KCC Nominee 2 (N1 RESI) Limited KCC Nominee 2 (N1) Limited KCC Nominee 2 (R7) Limited Tritax REIT Acquisition 16 Limited KCC Nominee 2 (S2) Limited KCC Nominee 1 (S2) Limited KC Nominee 1 (FC) Limited KC Nominee 2 (FC) Limited R3/R6 Manco Limited Argent (UK Developments) Limited Brindleyplace General Partner Limited Argent Development Consortium Limited Elisabeth House General Partner Limited Elisabeth House Nominee No. 1 Limited Elisabeth House Nominee No. 2 Limited
Alan Sippetts	None	None
George Henshilwood	None	None

4.5 Save as set out in this paragraph 4, the Directors in the five years before the date of this Registration Document:

- (a) did not have any convictions in relation to fraudulent offences;
- (b) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (c) did not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

4.6 Stephen Smith and Jim Prower were directors of various companies which were liquidated as part of a Tritax Big Box REIT plc group reorganisation (being Tritax Reit Acquisition 4 Limited, Tritax Reit Acquisition 10 Limited, Tritax Reit Acquisition 11 Limited, Tritax Reit Acquisition 12 Limited, Tritax Reit Acquisition 13 Limited, Tritax Reit Acquisition 14 Limited, Tritax Reit Acquisition 17 Limited, Tritax Reit Acquisition 18 Limited, Tritax Reit Acquisition 21 Limited, Tritax Reit Acquisition 22 Limited and Tritax Reit Acquisition 23 Limited).

- 4.7 Save as disclosed in the section entitled “Conflicts of interest” in Part 3 of this Registration Document, as at the date of this Registration Document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 4.8 The Company maintains directors’ and officers’ liability insurance on behalf of the Directors at the expense of the Company.
- 4.9 As at the date of this document, insofar as is known to the Company, there are no parties known to have a notifiable interest under English law in the Company’s capital or voting rights.
- 4.10 Pending the allotment of Shares pursuant to the Initial Issue, the Company is controlled by the Investment Manager, as described in paragraph 3 of this Part 5 above. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 4.11 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 4.12 All Shareholders have the same voting rights in respect of the share capital of the Company.

5 DIRECTORS’ APPOINTMENT LETTERS

- 5.1 No Director has a service contract with the Company, nor are any such contracts proposed.
- 5.2 Each Director has entered into a letter of appointment with the Company. The Directors’ appointments can be terminated in accordance with the Articles and without compensation. All Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, amongst other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 5.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Details of the remuneration for the Directors as at the date of this Registration Document is as follows:

<i>Director</i>	<i>Fee (£)</i>	<i>Appointment date</i>
Stephen Smith	30,000	8 May 2017
Jim Prower	25,000	8 May 2017
Alan Sippetts	20,000	8 May 2017
George Henshilwood	20,000	8 May 2017

- 5.4 The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Directors in respect of the Company’s accounting period ending 30 June 2018 which will be payable out of the assets of the Company are not expected to exceed £120,000.

6 THE ARTICLES

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

Objects/purposes

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

6.1 *Voting rights*

- (a) Subject to the provisions of the Companies Act, to any special terms as to voting on which any Shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his

votes or vote all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- (b) Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.
- (c) For so long as the Listing Rules apply to the Company and require a vote of the members to be undertaken, only those members who hold ordinary shares shall be entitled to vote on the resolution to be proposed in accordance with the relevant provisions of the Listing Rules, save that should the Listing Rules require that only independent shareholders be entitled to vote, any member who exercises or controls either on its own or together with any person with whom it is acting in concert, 30 per cent. or more of the Shares shall not be entitled to vote on the resolution of independent shareholders to be proposed in accordance with the relevant provisions of the Listing Rules.

6.2 Dividends

- (a) Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for Distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (c) All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (d) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (e) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

- (f) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

6.3 *Winding up*

- (a) If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, divide among the shareholders in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders.
- (b) The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.
- (c) The Directors are required to propose an ordinary resolution that the Company continue its business as presently constituted (the "**Continuation Resolution**") at the annual general meeting of the Company to be held in 2022. If the Continuation Resolution is not passed, the Directors will formulate proposals to be put to Shareholders to reorganise, restructure or wind-up the Company and to present such proposals to Shareholders within six months of the date of the annual general meeting at which the continuation resolution was proposed.

6.4 *Transfer of shares*

- (a) Subject to such of the restrictions in the Articles as may be applicable, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.
- (b) The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
 - (i) it is in respect of a share which is fully paid up;
 - (ii) it is in respect of only one class of shares;
 - (iii) it is in favour of a single transferee or not more than four joint transferees;
 - (iv) it is duly stamped (if so required); and
 - (v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of: (i) a transfer by a recognised person where a certificate has not been issued; (ii) a transfer of an uncertificated share; or (iii) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.

- (c) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.
- (d) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (e) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- (f) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 6.5.7 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- (g) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- (h) Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by

such transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

6.5 *Variation of rights*

- (a) If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Companies Act.
- (b) The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

6.6 *Alteration of share capital*

The Company may, from time to time, by ordinary resolution:

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (c) subject to the provisions of the Companies Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (d) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

6.7 *General meetings*

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (b) A general meeting shall be convened by such notice as may be required by law from time-to-time.
- (c) The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
 - (i) whether the meeting is convened as an annual general meeting or any other general meeting;
 - (ii) the place, the day, and the time of the meeting;
 - (iii) the general nature of the business to be transacted at the meeting;
 - (iv) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
 - (v) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- (d) The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice,

any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.

- (e) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- (f) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- (g) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- (h) A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
 - (i) the chairman of the meeting;
 - (ii) at least five members having the right to vote on the resolution;
 - (iii) a member or members representing not less than five per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
 - (iv) member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

6.8 *Borrowing powers*

Subject to the provisions of the Companies Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

6.9 *Issue of shares*

- (a) Subject to the provisions of the Companies Act, and to any relevant authority of the Company required by the Companies Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

- (b) Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.
- (c) The business of the Company shall be managed by the Directors who, subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

6.10 *Directors' fees*

- (a) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £400,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.
- (b) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

6.11 *Directors' interests*

- (a) The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.
- (b) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

- (c) Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:
 - (i) may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (ii) may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
 - (iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
 - (iv) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.
- (d) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- (e) The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

6.12 *Restrictions on Directors voting*

- (a) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
 - (i) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
 - (ii) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
 - (iii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iv) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
 - (v) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (vi) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. or more of the

voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;

- (vii) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - (viii) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
 - (ix) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
 - (x) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- (b) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

6.13 *Number of Directors*

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be not less than two and the number is not subject to a maximum.

6.14 *Directors' appointment and retirement*

- (a) The Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles.
- (b) Without prejudice to the power of the Company in general meeting under the Articles to appoint any person to be a Director, the Board shall have power at any time to appoint any person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed by or in accordance with the Articles. Any Director so appointed shall retire at the first annual general meeting of the Company following his appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.
- (c) At each annual general meeting of the Company, one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office by rotation. If there are fewer than three Directors, one Director shall retire from office.
- (d) At each annual general meeting, any Director who was elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation.
- (e) If the number of Directors retiring pursuant to paragraph 6.14(d) is less than the minimum number of Directors who are required by the Articles to retire by rotation, additional Directors up to that number shall retire. The Directors to retire under this paragraph 6.14(e) shall, first, be those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and, secondly those Directors who have been Directors longest since their appointment or last re-appointment. If there are Directors who were appointed or last re-appointed on the same date, the Director to retire shall, in default of agreement between them, be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the annual general meeting notwithstanding any change in the number or identity of the Directors after that time but before the close of the meeting.

- (f) Any Director who has held office with the Company, other than employment or executive office, and who, at the date of the annual general meeting, has held such office for nine years or more, shall be subject to re-appointment at each annual general meeting.

6.15 *Notice requiring disclosure of interest in shares*

- (a) The Company may, by notice in writing under section 793 of the Companies Act, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.
- (b) If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "**default shares**") the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

6.16 *Untraced Shareholders*

Subject to the Articles, the Company may sell any shares registered in the name of a member if and provided that during the period of 12 years immediately prior to the date of the publication of the advertisement of an intention to make such a disposal the Company has paid at least three cash dividends on the shares and no cash dividend payable on the share has either been claimed or cashed. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

6.17 *Indemnity of Officers*

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

6.18 *Restricted Shares*

The Restricted Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company for an amount equal to their nominal value and carry the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the shares payable on demand. The holders of the Restricted Shares will not have any right to receive notice of or vote at any general meeting of the Company.

6.19 *REIT provisions*

A summary of the REIT provisions included in the Articles is set out in paragraph 4 of Part 4 of this Registration Document.

7 CITY CODE ON TAKEOVERS AND MERGERS AND COMPANIES ACT

7.1 *Mandatory bid*

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- (a) a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in Shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Shares at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months.

7.2 *Compulsory acquisition*

Under Sections 974 – 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to Section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

8 MATERIAL CONTRACTS OF THE COMPANY

The following are the only contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Company since incorporation and which are, or may be, material, or which have been entered into at any time by the Group and which contain any provision under which any obligation or entitlement is, or may be, material to the Group as at the date of this Registration Document:

8.1 *The Share Issuance Agreement*

The Share Issuance Agreement dated 17 May 2017 between the Company, the Directors, the Investment Manager and Fidante Capital, pursuant to which, subject to certain conditions, Fidante Capital has agreed to use its reasonable endeavours to

- (i) procure subscribers for Shares under the Initial Placing; and
- (ii) procure subscribers for Shares made available under any further placings under the Share Issuance Programme.

In addition, under the Share Issuance Agreement, Fidante Capital has been appointed as sponsor, financial adviser and bookrunner in connection with the proposed applications for Admission of new Shares issued pursuant to the Share Issuance Programme.

The Share Issuance Agreement may be terminated by Fidante Capital in certain customary circumstances prior to 16 May 2018.

The obligations of the Company to issue Shares under the Initial Placing and the obligations of Fidante Capital to use its reasonable endeavours to procure subscribers for Shares under the Initial Placing are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Initial Admission in respect of the Shares occurring and becoming effective by 8.00 a.m. on or prior to 6 June 2017 or such later time and/or date as the Company and Fidante Capital may agree; (ii) the Share Issuance Agreement becoming wholly unconditional (save as to Initial Admission and any conditions relating to any subsequent issue under the Share Issuance Programme) and not having been terminated in accordance with its terms at any time prior to Initial Admission; and (iii) the Minimum Net Proceeds being raised.

In consideration for their services in relation to the Initial Placing and conditional upon Initial Admission, Fidante Capital shall be entitled to receive a commission from the Company. Fidante Capital is also entitled to a commission in respect of each issue of Shares under the Share Issuance Programme. Fidante Capital shall be entitled, at its sole discretion, to rebate or pay to any Placee, the Investment Manager, Solid Solutions Associates (UK) Limited (acting as intermediaries offer adviser), Kepler Partners LLP (acting as distribution agent) and/or any other person an amount of the commission which it receives pursuant to the Initial Placing or any subsequent placing under the Share Issuance Programme, whether by way of a commission rebate or otherwise.

The Company, the Investment Manager and the Directors have given warranties to Fidante Capital concerning, *inter alia*, the accuracy of the information contained in this Registration Document. The Company and the Investment Manager also given indemnities to Fidante Capital. The warranties and indemnities given by the Company, the Investment Manager and the Directors are customary for an agreement of this nature.

The Share Issuance Agreement is governed by the laws of England and Wales.

8.2 *The Investment Management Agreement*

The Investment Management Agreement dated 17 May 2017 between the Company and the Investment Manager pursuant to which the Investment Manager has, subject to overall supervision and direction of the Board, agreed to provide investment management services to the Company and thereby assist the Company in the achievement of the Investment Objective and Investment Policy.

Under the Investment Management Agreement the Investment Manager will receive a management fee which is calculated and accrues monthly at a rate equivalent to 0.75 per cent. per annum of Net Asset Value (excluding uninvested proceeds from the Share Issuance Programme or any subsequent fundraising). The fee will be paid on a quarterly basis based on the prevailing Net Asset Value.

The Investment Management Agreement may be terminated by the Company or the Investment Manager giving 12 months' notice, such notice not to be given earlier than the first anniversary of Initial Admission.

The Company may also terminate the Investment Management Agreement (without prejudice to any right of action accruing or already accrued to it) immediately without penalty by notice in writing, *inter alia*, if:

- (i) an order is made or an effective resolution is passed for winding up the Investment Manager or the otherwise than for the purpose of its amalgamation or solvent reconstruction; or
- (ii) the Investment Manager shall be insolvent or stop or threaten to stop carrying on business or payment of its debts or make any arrangement with its creditors generally; or
- (iii) a receiver or administrator of the Investment Manager is appointed over any of its assets or any undertaking of the Investment Manager pursuant to any applicable bankruptcy or insolvency proceedings; or
- (iv) the Investment Manager commits a material breach of duty, negligence, wilful default, fraud or a material breach of applicable requirements in connection with the performance of the management services or a material breach of the Investment Management Agreement, which in each case is either irremediable or not remedied within 30 days of receipt by the Investment Manager of a notice signed on behalf of the Company requiring such breach to be rectified; or
- (v) the Investment Manager fails to obtain (by any required deadline), or ceases to have, any authorisation or permission required by it to act as investment adviser to the Company.

The Investment Manager may also terminate the Investment Management Agreement (without prejudice to any right of action accruing or already accrued to it) immediately without penalty by notice in writing, *inter alia*, if:

- (i) an order is made or an effective resolution is passed for winding up the Company otherwise than for the purpose of its amalgamation or solvent reconstruction; or
- (ii) the Company shall be insolvent or stop or threaten to stop carrying on business or payment of its debts or make any arrangement with its creditors generally; or
- (iii) a receiver or administrator of the Company is appointed over any of its assets or any undertaking of the Company pursuant to any applicable bankruptcy or insolvency proceedings; or
- (iv) the Investment Manager is required to terminate the Investment Management Agreement by any competent governmental or regulatory authority.

The Investment Manager may also terminate the Investment Management Agreement with immediate effect if the Company's investment policy is amended (by shareholder resolution) such that the Investment Manager, in its reasonable opinion, can no longer properly provide the management services.

The Company has given certain market standard indemnities in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying on its responsibilities under the Investment Management Agreement.

The Investment Management Agreement is governed by and construed in accordance with the laws of England and Wales.

8.3 *Property Management Agreement*

The Property Management Agreement dated 17 May 2017 between the Company and the Property Manager whereby the Property Manager was appointed to act as property manager of the Company.

The Property Manager is currently entitled to: (i) a fee of 0.325 per cent. of annual rents received (in respect of single let properties); (ii) fees capped at between eight per cent. and ten per cent. of annual service charges (in respect of multi-let properties); and (iii) a nominal charge (in respect of vacant buildings).

The Property Management Agreement contains market standard provisions under which the Company exempts the Property Manager from liability and indemnifies the Property Manager against liability in the absence of negligence, fraud, fraudulent misrepresentation, wilful default or breach of the terms of the Property Management Agreement for any loss, cost, expense or damage suffered as a result of or in the course of the discharge of the Property Manager's duties under the Property Management Agreement. Such an indemnity is market standard for an agreement of this nature.

The Property Management Agreement may be immediately terminated by the Property Manager by notice in writing if:

- (i) the Company fails to pay any sum payable under the Property Management Agreement to the Property Manager after 28 days' written notice;
- (ii) the Company breaches a material term of the Property Management Agreement and fails to remedy such breach after 28 days written notice; or
- (iii) the Company becomes insolvent.

The Property Management Agreement has an initial term of three years from 17 May 2017 and thereafter continues in force until terminated by either party giving at least three months' written notice to the other. The Property Management Agreement may otherwise be terminated by the Company if the Property Manager is unable to fulfil its duties under Property Management Agreement after 28 days' notice from the Company or if the Property Manager becomes insolvent.

Upon termination, the Property Manager will be entitled to receive all fees and other monies accrued due up to the date of such termination.

The Property Management Agreement is governed by and construed in accordance with the laws of England and Wales.

8.4 *The Administration Agreement*

The Administration Agreement dated 17 May 2017 between the Company and Capita Sinclair Henderson Limited pursuant to which the Administrator acts as administrator to the Company.

Under the terms of the Administration Agreement, the Administrator is entitled to receive a fee of £75,000 per annum (exclusive of VAT). In addition, the Administrator is entitled to a fee of £8,000 per annum (exclusive of VAT) in respect of tax-related work and payroll for the Directors' fees. Fees are subject to annual increase in line with RPI.

The Administration Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator, its affiliates and their directors, officers, employees and agents from and against any and all losses incurred by such parties resulting or arising from the Administration Agreement except to the extent that any such claims have resulted from the negligence, fraud, fraudulent misrepresentation or wilful default of any such person. The liability of the Administrator to the Company under the Administration Agreement is subject to a cap.

The Administration Agreement is for an initial term of two years from Initial Admission, thereafter it is terminable, *inter alia*, upon six months' written notice. The Administration Agreement is also terminable immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 60 days of written notice being given).

The Administration Agreement is governed by the laws of England and Wales.

8.5 *Company Secretarial Agreement*

The Company Secretarial Agreement dated 17 May 2017 between the Company and Capita Registrars Limited pursuant to which the Company Secretary (as a subsidiary of Capita Registrars Limited) has been appointed to act as secretary to the Company.

Under the terms of the Company Secretarial Agreement, Capita Registrars Limited is entitled to a company secretary fee of £50,000 per annum (exclusive of VAT) in addition to a fee of £1,750 (exclusive of VAT) in respect of services provided to the subsidiary of the Company.

The Company Secretarial Agreement contains provisions whereby the Company indemnifies and holds harmless Capita Registrars Limited, its affiliates and their directors, officers, employees and agents from and against any and all losses, damages, liabilities, professional fees and expenses incurred by such parties resulting or arising from the Company Secretarial Agreement and, in addition, any third party claims relating to or arising from or in connection with the Company Secretarial Agreement or the services contemplated therein except to the extent that any such claims have resulted from the fraud, negligence or wilful default of any such person. Further, the liability of Capita Registrars Limited to the Company under the Company Secretarial Agreement is subject to a cap.

The Company Secretarial Agreement is terminable, *inter alia*, upon six months' written notice. The Company Secretarial Agreement is also terminable immediately upon the occurrence of certain events including the insolvency of the Company or Capita Registrars Limited or a party committing a material breach of the Company Secretarial Agreement (where such breach has not been remedied within 45 days of written notice being given).

The Company Secretarial Agreement is governed by the laws of England and Wales.

8.6 *The Registrar Agreement*

The Registrar Agreement dated 17 May 2017 between the Company and Computershare Investor Services PLC pursuant to which the Registrar has agreed to act as registrar to the Company.

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account per annum, subject to a minimum fee. The fee is subject to increase in line with the CPI. The Registrar is also entitled to activity fees under the Registrar Agreement.

The Registrar Agreement may be terminated on six months' notice and is also terminable on written notice in the event of, *inter alia*, breach of the agreement (which has not been remedied within 21 days' written notice of such breach) or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is subject to a cap.

The Registrar Agreement is governed by the laws of England and Wales

8.7 *The Receiving Agent Agreement*

The Receiving Agent Agreement dated 17 May 2017 between the Company and Computershare Investor Services Plc pursuant to which the Receiving Agent acts as receiving agent in connection with the Initial Offer for Subscription. Under the terms of the receiving agent agreement, the Receiving Agent is entitled to a fee at an hourly rate, plus a processing fee per application. The Receiving Agent is also entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties. The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the agreement. The Receiving Agent's liability under the Receiving Agent Agreement is subject to a cap.

The agreement is governed by the laws of England and Wales.

8.8 *Depositary Agreement*

The Depositary Agreement dated 17 May 2017 between the Company and the Depositary pursuant to which the Company has appointed the Depositary to provide depositary services to the Company, including setting up and maintaining securities records and cash accounts, keeping safe custody of the Company's investments, processing corporate actions and shareholder votes and collecting and processing the Company's income.

Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of £35,000 per annum plus an additional fee of 0.3 bps on any funds in excess of £150 million per annum. The Depositary is entitled to reimbursement of all reasonable out-of-pocket expenses incurred in connection with its duties.

The Depositary Agreement is terminable by either the Company or the Depositary giving to the other not less than six months' written notice. The Depositary Agreement may be terminated with immediate effect by either the Company or the Depositary on the occurrence of certain events, including: (i) if the other party has committed a material breach or is in persistent breach of the terms of the Depositary Agreement; or (ii) in the case of insolvency of a party. The Depositary can terminate if the Investment Manager ceases to be the alternative investment fund manager of the Company without consent from the Depositary.

The Company has given certain market standard indemnities in favour of the Depositary in respect of the Depositary's potential losses in carrying on its responsibilities under the Depositary Agreement.

The Depositary Agreement is governed by the laws of England and Wales.

9 RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transaction at any time during the period from incorporation to the date of this Registration Document.

10 LITIGATION

There are no governmental, legal or arbitration proceedings, (including any such proceedings pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, a significant effect on the Company and/or the Group's financial position or profitability.

11 NO SIGNIFICANT CHANGE

There has been no significant change in the financial condition or trading position of the Group since 18 April 2017, being the date of incorporation of the Company.

12 GENERAL

- 12.1 Fidante Capital is acting as sponsor, financial adviser and sole bookrunner to the Company and the Share Issuance Programme. Fidante Capital has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which it appears.
- 12.2 Kepler Partners LLP is acting as distribution agent to the Initial Issue. Kepler Partners LLP has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which it appears.
- 12.3 KPMG LLP of 15 Canada Square, London E14 5GL is the auditor and reporting accountant for the Group and has been the only auditor of the Company since its incorporation. KPMG LLP was registered in England and Wales on 22 February 2002 as a UK limited liability partnership under the Limited Liability Partnerships Act 2000 (registered number OC301540) and is a member firm of the Institute of Chartered Accountants in England and Wales (telephone number+44 (0)20 7311 1000).
- 12.4 The Investment Manager is a UK limited liability partnership incorporated on 31 August 2011 in England and Wales under the Limited Liability Partnerships Act 2000 with registration number OC367686. The Investment Manager is regulated by the Financial Conduct Authority. The address of the Investment Manager is 33 Jermyn Street, London SW1Y 6DN and its telephone number is +44 (0)20 7016 4880. The Investment Manager has given and not withdrawn its written consent to the issue of this Registration Document with references to its name in the form and context in which such references appear.
- 12.5 Where third party information has been referenced in this Registration Document, the source of that third party information has been disclosed. All information in this Registration Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 12.6 The accounting reference date of the Company is 30 June.
- 12.7 The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy. The Company will not, at any time, conduct any trading activity which is significant in the context of the business of the Company as a whole.
- 12.8 The Company's future properties will be held by the Company itself or by subsidiaries of the Company. No custodian, trustee or other fiduciary is appointed in respect of the Company's properties.

13 INTERMEDIARIES

13.1 The Intermediaries authorised at the date of this Registration Document to use this Registration Document, the Summary and the Securities Note are:

<i>Name</i>	<i>Address</i>
AJ Bell Securities Limited	4 Exchange Quay, Salford Quays, Manchester, M5 3EE
Alliance Trust Savings Limited	PO Box 164 8 West Marketgait, Dundee, DD1 9YP
Barclays Bank plc	1 Churchill Place, London, E14 5HP
Cornhill Capital Limited	4th Floor, 18 St Swithins Lane, London EC4N 8AD
Equiniti Financial Services Limited	Aspect House, Spencer Road, Lancing, BN99 6DA
Hargreave Hale Limited	Talisman House, Boardmans Way, Blackpool, FY4 5FY
Hargreaves Lansdown Asset Management Limited	One College Square South, Anchor Road, Bristol, BS1 5HL
IG Markets Limited	Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA
Interactive Investor Trading Limited	Standon House, 21 Mansell Street, London E1 8AA
Jarvis Investment Management Limited	78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS
Redmayne-Bentley LLP	9 Bond Court, Leeds, LS1 2JZ
Shore Capital Stockbrokers Limited	Bond Street House, 14 Clifford Street, London W1S 4JU
SVS Securities PLC	20 Ropemaker Street, London EC2Y 9AR
Syndicate Room Limited	The Pitt Building, Trumpington Street, Cambridge, CB2 1RP
Walker Crips Stockbrokers Limited	Finsbury Tower, 103-105 Bunhill Row, London EC1Y 8LZ

14 DOCUMENTS AVAILABLE FOR INSPECTION

14.1 Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of this Registration Document:

- (a) the memorandum of association of the Company and the Articles; and
- (b) this Registration Document, the Summary and the Securities Note.

14.2 Hard copies of the Registration Document, the Summary and the Securities Note are available on request from the Investment Manager. Please call +44 (0)20 7016 4880 to request a hard copy.

PART 6

DEFINITIONS

The following definitions apply throughout this Registration Document unless the context requires otherwise:

Administration Agreement	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 8.4 of Part 5 of this Registration Document
Administrator	Capita Sinclair Henderson Limited
Admission	admission to trading on the Main Market of any Shares becoming effective in accordance with the LSE Admission Standards and admission of any Shares to the premium listing segment of the Official List becoming effective in accordance with the Listing Rules
AEW Europe	AEW Europe SA
AEW Group	the Investment Manager, AEW Europe and its affiliates and AEW Capital Management LLC
affiliate or affiliates	an affiliate of, or person affiliated with, a person; a person that, directly or indirectly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance
AIC Guide	the AIC Corporate Governance Guide for Investment Companies, as amended from time to time
AIF	an alternative investment fund
AIFM	an alternative investment fund manager
AIFM Directive	the European Union's Alternative Investment Fund Managers directive (No. 2071/61/EU) and all legislation made pursuant thereto, including, where applicable, the applicable implementing legislation and regulations in each member state of the European Union
Articles	the articles of association of the Company
Audit Committee	the audit committee of the Board
Auditor	KPMG LLP
Business Day	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
Capital gains tax or CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
certificated or in certificated form	not in uncertificated form
Companies Act or Act	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company	AEW UK Long Lease REIT plc
Company Secretarial Agreement	the Company Secretary agreement between the Company and the Company Secretary, a summary of which is set out in paragraph 8.5 of Part 5 of this Registration Document
Company Secretary	Capita Company Secretarial Services Limited
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form

CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
Depository	Langham Hall UK Depository LLP
Depository Agreement	the depository agreement between the Company and the Depository, a summary of which is set out in paragraph 8.8 of Part 5 of this Registration Document
Directors or Board	the board of directors of the Company
Disclosure Guidance and Transparency Rules or DTRs	the disclosure guidance and transparency rules made by the FCA, in the case of the transparency rules, under Section 73A of FSMA
Distribution	any dividend or other distribution on or in respect of the Shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made
Distribution Transfer	a disposal or transfer (however effected) by a Person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no Person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder
Distribution Transfer Certificate	a certificate in such form as the Directors may specify from time to time to the effect that the relevant person has made a Distribution Transfer, which certificate may be required by the Directors to satisfy them that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution
Dividend Policy	the dividend policy of the Company which is set out at Part 1 of this Registration Document
ERISA	U.S. Employee Retirement Income Security Act of 1976, as amended
ERV	estimated rental value of the Portfolio
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
Excess Charge	in relation to a Distribution which is paid or payable to a Person, all tax or other amounts which the Directors consider may become payable by the Company under Section 551 of the CTA 2010 and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that Person
FCA	the Financial Conduct Authority
Fidante Capital	Fidante Partners Europe Limited (trading as Fidante Capital)
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
Future Securities Note	a securities note to be issued in the future by the Company in respect of each issue (not being a Placing-Only Issue), if any, of Shares (other than pursuant to the Initial Issue) made pursuant to this Registration Document and subject to separate approval by the FCA
Future Summary	a summary to be issued in the future by the Company in respect of each issue (not being a Placing-Only Issue), if any, of Shares (other than pursuant to the Initial Issue) made pursuant to this Registration Document and subject to separate approval by the FCA
Group	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010

Gross Asset Value	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time
HMRC	Her Majesty's Revenue and Customs
IFRS	international financial reporting standards
Initial Admission	Admission pursuant to the Initial Issue
Initial Issue	together, the Initial Placing and the Initial Offer for Subscription and the Intermediaries Offer
Initial Offer for Subscription	the first offer for subscription of Shares pursuant to the Share Issuance Programme (and forming part of the Initial Issue) which is expected to close on 30 May 2017
Initial Placing	the first placing of Shares pursuant to the Share Issuance Programme (and forming part of the Initial Issue) which is expected to close on 31 May 2017
Intermediaries	the entities listed in paragraph 14 of Part 5 of this Registration Document, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Registration Document and "Intermediary" shall mean any one of them
Intermediaries Offer	the offer of Shares by Intermediaries to retail investors
Intermediaries Offer Adviser	Solid Solutions Associates (UK) Limited
interest in the Company	includes, without limitation, an interest in a Distribution made or to be made by the Company
Investment Manager	AEW UK Investment Management LLP
Investment Management Agreement	the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 8.2 of Part 5 of this Registration Document
Investment Objective	the Investment Objective of the Company which is set out at Part 1 of this Registration Document
Investment Policy	the investment policy of the Company which is set out at Part 1 of this Registration Document
Investment Restrictions	the investment restrictions of the Company which are set out at Part 1 of this Registration Document
IPD	Investment Property Databank
Listing Rules	the listing rules made by the UK Listing Authority pursuant to Part VI of FSMA
London Stock Exchange	London Stock Exchange plc
LSE Admission Standards	the admission and disclosure standards published by the London Stock Exchange on 3 July 2016
Main Market	the London Stock Exchange's main market for listed securities
Management Engagement and Remuneration Committee	the management engagement and remuneration committee of the Board
MAR	Market Abuse Regulation (596/2014/EU)
Minimum Net Proceeds	the minimum net proceeds of the Initial Issue, being £73.5 million (or such lesser amount as the Company and Fidante may determine and notify to investors via an RIS announcement and a supplementary prospectus)

Net Asset Value or NAV	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Asset Value per Share or NAV per Share	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation
Non-PID Dividend	a distribution by the Company which is not a PID
Official List	the Official List of the UK Listing Authority
Overseas Persons	a potential investor who is not resident in, or who is not a citizen of, the UK
person	includes a body of persons, corporate or unincorporated, wherever domiciled
Placing-Only Issue	an issue under the Share Issuance Programme which comprises only a placing and does not include an offer for subscription or an intermediaries offer component
PID or Property Income Distribution	the distribution by the Company of the profits of the Group's Property Rental Business, including distributions received by the Group from other UK REITs, by way of a dividend in cash or the issue of share capital in lieu of a cash dividend in accordance with Section 530 of the CTA 2010
Portfolio	at any time, the portfolio of assets and investments in which the funds of the Company are invested
Property Manager	Workman LLP
Property Management Agreement	the property management agreement between the Company and the Property Manager, a summary of which is set out in paragraph 8.3 of Part 5 of this Registration Document
Property Rental Business	the qualifying property rental business in the UK and elsewhere of UK resident companies within a REIT and non-UK resident companies within a REIT with a UK qualifying property rental business
Propex	secure data exchange for the institutional property market; it is an online platform that allows its members to electronically introduce, receive and store property investment opportunities
Prospectus	the prospectus prepared in accordance with the Prospectus Rules comprising this Registration Document, the Securities Note and the Summary, each dated 17 May 2017
Prospectus Directive	the EU Prospectus Directive 2003/71/EC
Prospectus Rules	the prospectus rules made by the FCA under Section 73A of FSMA
Receiving Agent	Computershare Investor Services PLC, in its capacity as the Company's receiving agent
Receiving Agent Agreement	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 8.7 of Part 5 of this Registration Document
Red Book	RICS valuation – professional standards global January 2014, including the international valuation standards, and RICS valuation – professional standards UK January 2014 (revised April 2015)
Register	the register of members of the Company
Registrar	Computershare Investor Services PLC, in its capacity as the Company's registrar

Registrar Agreement	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 8.6 of Part 5 of this Registration Document
Regulation S	Regulation S promulgated under the U.S. Securities Act
Regulatory Information Service	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
REIT or Real Estate Investment	a Real Estate Investment Trust as defined in Part 12 of the CTA Trust 2010
Relevant Member State	a member state of the European Economic Area which has implemented the Prospectus Directive
Relevant Registered Shareholder	a Shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
Residual Business	that part of the business of companies within a REIT that is not part of the Property Rental Business
Reporting Obligation	any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company's status, or the Group's status as a REIT
Restricted Shares	restricted shares of £1.00 each in the capital of the Company
RICS	Royal Institution of Chartered Surveyors
SDLT	stamp duty land tax
Securities Note	the securities note dated 17 May 2017 issued by the Company in respect of the Shares made available pursuant to the Initial Issue and approved by the FCA
Shareholder	a holder of Shares
Share Issuance Agreement	the share issuance agreement between the Company, the Investment Manager, the Directors and Fidante Capital, a summary of which is set out in paragraph 8.1 of Part 5 of this Registration Document
Share Issuance Programme	the programme under which the Company intends to issue Shares in Tranches on the terms set out in the Summary and the Securities Note (and any Future Summary and Future Securities Note)
Shares	ordinary shares of £0.01 each in the capital of the Company
Sterling or £	the lawful currency of the United Kingdom
Substantial Shareholder	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under Section 551 of CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such person including, at the date of adoption of the Articles, any holder of excessive rights as defined in Section 553 of CTA 2010
Substantial Shareholding	the Shares in relation to which or by virtue of which (in whole or in part) a person is a Substantial Shareholder
Summary	the summary dated 17 May 2017 issued by the Company in respect of the Shares made available pursuant to the Initial Issue and approved by the FCA
Takeover Code	the UK City Code on Takeovers and Mergers
Target Returns	those returns targeted by the Company from time to time
Tranches (each a Tranche)	a tranche of Shares issued under the Share Issuance Programme

UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States of America, United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Code	U.S. Internal Revenue Code, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Valuer	Knight Frank, in its capacity as the Company's independent valuer
VAT	value added tax
WAULT	weighted average unexpired lease term

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 are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This Securities Note, the Registration Document and the Summary, which together constitute a prospectus relating to AEW UK Long Lease REIT plc (the “**Company**”) prepared in accordance with the Prospectus Rules of the UK Listing Authority made pursuant to section 73A of the FSMA (the “**Prospectus**”), has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at www.aeweurope.com/en/Strategies/UK/LL-reit.html.

The Prospectus has been issued in connection with the issue of up to 300 million Shares pursuant to the Share Issuance Programme. The Company may issue up to 300 million Shares in one or more Tranches throughout the period commencing 17 May 2017 and ending on 16 May 2018 pursuant to the Share Issuance Programme.

Applications will be made to the UK Listing Authority and the London Stock Exchange for the Shares to be issued in connection with the Share Issuance Programme (including the Initial Issue) to be admitted to listing on the premium listing segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange respectively. It is expected that Admission of the Shares to be issued under the Initial Issue will become effective and that dealings for normal settlement in the Shares will commence on 6 June 2017. It is expected that any Subsequent Admission pursuant to Subsequent Placings under the Share Issuance Programme will become effective and dealings will commence between 7 June 2017 and 16 May 2018.

Prospective investors should read the entire document and, in particular, the section headed “Risk Factors” beginning on page 6 of this Securities Note and those set out in the Registration Document when considering an investment in the Company.

ONLY THE COMBINED SECURITIES NOTE, REGISTRATION DOCUMENT AND SUMMARY COMPRISE, AND MAY BE RELIED UPON AS, THE PROSPECTUS.

AEW UK LONG LEASE REIT PLC

(Incorporated in England and Wales with registered number 10727886 and registered as an investment company under Section 833 of the Companies Act)

SECURITIES NOTE

Initial Placing and Initial Offer for Subscription for a target issue of 150 million Shares at £1.00 per Share

Share Issuance Programme of up to 300 million Shares*

(including the Initial Placing and the Initial Offer for Subscription and the Intermediaries Offer)

Investment Manager

AEW UK Investment Management LLP

Sponsor, Financial Adviser and Sole Bookrunner

Fidante Capital

Distribution Agent

Kepler Partners LLP

*less the number of Shares issued pursuant to the Initial Issue.

The Company and the Directors, whose names appear on page 8 of this Securities Note, accept responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Fidante Partners Europe Limited (trading as Fidante Capital) (“**Fidante Capital**”), which is authorised and regulated in the United Kingdom by the FCA is acting exclusively for the Company and for no-one else in relation to the Initial Admission, the Initial Issue, Subsequent Admissions and the Share Issuance Programme and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Fidante Capital, nor for providing advice in connection with the Initial Admission, the Initial Issue, Subsequent Admissions, the Share Issuance Programme, the contents of the Prospectus or any matters referred to therein.

The Initial Offer for Subscription will remain open until 5.00 p.m. on 30 May 2017 and the Initial Placing will remain open until 2.00 p.m. on 31 May 2017.

Persons wishing to participate in the Initial Offer for Subscription should complete the Application Form set out in the Appendix to this Securities Note. To be valid, Application Forms must be completed and returned with the appropriate remittance, by post to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions

Projects, Bristol BS99 6AH or by hand (during business hours only), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by no later than 5.00 p.m. on 30 May 2017.

Apart from the responsibilities and liabilities, if any, which may be imposed on Fidante Capital 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, Fidante Capital 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 its behalf in connection with the Company, the Shares, the Share Issuance Programme or any Admission 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. Fidante Capital, to the fullest extent permitted by law, accordingly (together with its affiliates) disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of the Prospectus or any such statement.

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

In connection with the Share Issuance Programme, Fidante Capital and its affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Shares and other securities of the Company or related investments in connection with the Share Issuance Programme or otherwise. Accordingly, references in the Prospectus to Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Fidante Capital and any of its affiliates acting as an investor for its or their own account(s). Neither Fidante Capital 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, Fidante Capital and its affiliates may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Fidante Capital may from time to time acquire, hold or dispose of shareholdings in the Company.

The Shares to be issued pursuant to the Share Issuance Programme have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Shares to be issued pursuant to the Share Issuance Programme may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares to be issued pursuant to the Share Issuance Programme in the United States. The Shares to be issued pursuant to the Share Issuance Programme are being offered or sold only, (i) outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder, and (ii) to persons that are "qualified institutional buyers" (as the term is defined in Rule 144A under the U.S. Securities Act) that are also "qualified purchasers" within the meaning of section 2(a) (51) of the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") in reliance on the exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Copies of this Securities Note, the Registration Document and the Summary (along with any Future Securities Note and Future Summary) will be available on the Company's website (www.aeweurope.com/en/Strategies/UK/LL-reit.html) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm.

Dated: 17 May 2017

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EXPECTED INITIAL ISSUE TIMETABLE

Initial Issue

Initial Placing and Initial Offer for Subscription opens	17 May 2017
Initial Offer for Subscription closes	5.00 p.m. on 30 May 2017
Latest time and date for receipt of completed Application Forms and payment in full under the Initial Offer for Subscription	5.00 p.m. on 30 May 2017
Latest time and date for receipt of completed applications from Intermediaries in respect of the Intermediaries Offer	2.00 p.m. on 31 May 2017
Initial Placing closes	2.00 p.m. on 31 May 2017
Announcement of the results of the Initial Issue	1 June 2017
Admission and commencement of unconditional dealings in respect of the Initial Issue	6 June 2017
Crediting of CREST stock accounts in respect of the Initial Issue	6 June 2017
Share certificates despatched in respect of the Initial Issue*	week commencing 12 June 2017 (or as soon as possible thereafter)

* Underlying Applicants who apply to Intermediaries for Shares under the Intermediaries Offer will not receive share certificates.

EXPECTED SHARE ISSUANCE PROGRAMME TIMETABLE

Share Issuance Programme opens	17 May 2017
Publication of Subsequent Issue Price in respect of each Subsequent Placing	as soon as practicable after the closing of each Subsequent Placing
Announcement of the results of each Subsequent Placing	as soon as practicable after the closing of each Subsequent Placing
Admission and crediting of CREST accounts in respect of each Subsequent Placing	as soon as practicable following the allotment of Shares pursuant to each Subsequent Placing
Share certificates in respect of the Shares issued pursuant to each Subsequent Placing despatched	approximately one week from each Subsequent Placing
Share Issuance Programme closes	16 May 2018

The dates specified are subject to change without further notice. Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.

INITIAL ISSUE STATISTICS

Initial Issue Price	£1.00
Maximum number of Initial Issue Shares to be issued*	150 million
Maximum Gross Issue Proceeds*	£150 million
Maximum Net Proceeds	£147 million
Net Asset Value per Share at Admission**	98 pence

* The maximum size of the Initial Issue is £150 million with the actual size of the Initial Issue being subject to investor demand. The number of Shares to be issued pursuant to the Initial Issue, and therefore the Gross Issue Proceeds, is not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission. If the Minimum Net Proceeds are not raised, the Issue will not proceed.

** The costs of the Initial Issue borne by the Company are fixed at 2 per cent. of Gross Issue Proceeds (that is £3 million assuming Gross Issue Proceeds of £150 million).

SHARE ISSUANCE PROGRAMME STATISTICS

Maximum number of Shares being made available under the Share Issuance Programme	300 million
Subsequent Issue Price	NAV per Share plus a premium*

* Further terms and conditions of issues of Shares under the Share Issuance Programme which involve an offer for subscription element will, to the extent necessary, be contained in a Future Securities Note and Future Summary for each such issue.

DEALING CODES

The dealing codes for the Shares are as follows:

ISIN	GB00BDVK7088
SEDOL	BDVK708
Ticker	AEWL

RISK FACTORS

Investment in the Company should not be regarded as short term in nature and involves a high degree of risk. Accordingly, investors should carefully consider all of the information set out in this Securities Note, the Registration Document and the Summary (along with any Future Securities Note and Future Summary) and the risks attaching to an investment in the Company.

The Directors believe the risks described below are the material risks relating to an investment in the Shares at the date of this Securities Note. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Securities Note, may also have an adverse effect on the performance of the Company and the value of the Shares. Investors should review this Securities Note as well as the information contained in the Registration Document carefully and in its entirety and consult with their professional advisers before making an application to invest in the Shares to be issued pursuant to the Share Issuance Programme.

RISKS RELATING TO THE SHARES

The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share

The Shares may trade at a discount to NAV per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and investment policy, an excess of supply over demand in the Shares or to the extent investors undervalue the advisory activities of the Investment Manager or to the extent investors discount the valuation methodology and judgments made by the Company. While the Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.

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

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

The market price of the Shares may not reflect the value of the underlying investments of the Group and may be subject to wide fluctuations in response to many factors, including, among other things, variations in the Company's operating results, additional issuances or future sales of the Shares or other securities exchangeable for, or convertible into, its Shares in the future, expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the UK property market as a whole, the Company or any of its assets, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and other events and factors within or outside the Company's control.

Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may have a material adverse effect on the market price for the Shares. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Shares.

Issue Price of Shares under the Share Issuance Programme

The Issue Price of the Shares issued on a non-pre-emptive basis under the Share Issuance Programme cannot be lower than the latest published NAV per Share. The Issue Price of such Shares will be calculated by reference to the latest published (unaudited) NAV per Share. Such NAV per Share is determined on the basis of the information available to the Company at the time and may be subject to subsequent revisions. Accordingly, there is a risk that, had the Issue Price been calculated by reference to information that emerged after the calculation date, it could have been greater or lesser than the Issue Price actually paid by the investors. If the Issue Price should have been less than the Issue Price actually paid, investors will have borne a greater premium than intended. If the Issue Price should have been greater than the Issue Price actually paid,

investors will have paid less than intended and, in certain circumstances, the Net Asset Value per Share may have been diluted.

The market price of the Shares may rise or fall rapidly

General movement in local and international stock markets and real estate markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic and political conditions may all affect the market price of the Shares. To optimise returns, Shareholders may need to hold the Shares for the long term and the Shares are not suitable for short term investment.

The Company may in the future issue new Shares, which may dilute Shareholders' voting rights

The Company may seek to issue new Shares in the future pursuant to the Share Issuance Programme or otherwise. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of Shares in consideration for cash, such rights can be disapplied, and have been disapplied in relation to the maximum amount of Shares that may be issued pursuant to the Share Issuance Programme. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive, in terms of voting rights, to those Shareholders who cannot, or choose not to, participate in such financing.

Future sales of Shares could cause the market price of the Shares to fall

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

The Shares may be subject to significant forced transfer provisions

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or with any securities or regulatory authority of any state or other jurisdiction in the United States. Moreover, the Shares are only being offered and sold, (i) outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act), and (ii) to persons that are "qualified institutional buyers" (as the term is defined in Rule 144A under the U.S. Securities Act) that are also "qualified purchasers" within the meaning of section 2(a) (51) of the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") in reliance on the exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

If at any time the holding or beneficial ownership of any Shares by any person (whether on its own or taken with other Shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or the Shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**") and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Exchange Act; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such Shares to dispose of such Shares and, if the Shareholder does not sell such Shares, may dispose of such Shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold, and Shareholders generally to sell, the Shares and may have an adverse effect on the market value of the Shares.

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Stephen Smith (Non-executive Chairman) Alan Sippetts (Non-executive Director) Jim Prower (Non-executive Director) George Henshilwood (Non-executive Director)
	all of the registered office below:
Registered Office	40 Dukes Place London EC3A 7NH Tel: +44 (0)20 7954 9584 Website: www.aeweurope.com/en/Strategies/UK/LL-reit.html
Investment Manager and AIFM	AEW UK Investment Management LLP 33 Jermyn Street London SW1Y 6DN
Property Manager	Workman LLP Alliance House 12 Caxton Street London SW1 0QS
Sponsor, Financial Adviser and Sole Bookrunner	Fidante Partners Europe Limited (trading as Fidante Capital) 1 Tudor Street London EC4Y 0AH
Distribution Agent	Kepler Partners LLP 9/10 Savile Row London W1S 3PF
Intermediaries Offer Adviser	Solid Solutions Associates (UK) Limited 5 St Johns Lane London EC1M 4BH
Legal Adviser to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Legal Adviser to the Sponsor, Financial Adviser and Sole Bookrunner	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Depository	Langham Hall UK Depository LLP 5 Old Bailey London EC4M 7BA

Administrator	Capita Sinclair Henderson Limited Beaufort House 51 New North Road Exeter EX4 4EP
Company Secretary	Capita Company Secretarial Services Limited 40 Dukes Place London EC3A 7NH
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
Receiving Agent	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
Auditors and Reporting Accountants	KPMG LLP 15 Canada Square London E14 5GL
Valuer	Knight Frank LLP 55 Baker Street London W1U 8AN

IMPORTANT INFORMATION

GENERAL

The Prospectus should be read in its entirety before making any application for Shares. In assessing an investment in the Company, investors should rely only on the information in the Prospectus and any supplementary prospectus published by the Company prior to Initial Admission or the date of any Subsequent Admission.

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in the Prospectus and any supplementary prospectus published by the Company prior to Admission or the date of admission of the relevant Subsequent Admission and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should not treat the contents of the Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

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

Applicants under the Offer for Subscription are strongly recommended to read and consider the Prospectus before completing the Application Form.

Under any Intermediaries Offer, the Shares will be offered to Intermediaries who will facilitate the participation of their retail investor clients (and any member of the public who wishes to become a client of that Intermediary) located in the United Kingdom. The Company consents to the use of the Prospectus in connection with any subsequent resale or final placement of securities by: (i) in respect of the Intermediaries who have been appointed by the Company prior to the date of the Prospectus, those intermediaries listed in paragraph 6 of Part 4 of this Securities Note; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Securities Note, those intermediaries which appear on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of Shares, in each case, until the closing of the period for the subsequent resale or financial placement of Shares by financial intermediaries at 2.00 p.m. on 31 May 2017, unless closed prior to that date.

The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Securities Note is given commences on 17 May 2017 and closes on 31 May 2017, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent and the conditions attached thereto. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.

Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.

The Company accepts responsibility for the information in this Securities Note with respect to any subscriber for Shares pursuant to any subsequent resale or final placement of Shares by any Intermediaries which are given consent to use this Securities Note.

Any new information with respect to financial intermediaries unknown at the time of approval of this Securities Note will be available on the Company's website.

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

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

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of the Prospectus. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 5 of Part 4 of this Securities Note.

UK RULES ON MARKETING OF POOLED INVESTMENTS

The FCA Handbook contains rules restricting the marketing within the UK of certain pooled investments or 'funds', referred to in the FCA Handbook as non-mainstream pooled investments ("NMPis"), to 'ordinary retail clients'. These rules took effect on 1 January 2014. These rules currently do not apply to real estate investment trusts.

ELIGIBILITY FOR INVESTMENT BY UCITS OR NURS

The Company has been advised that the Shares should be "transferable securities" and, therefore, should be eligible for investment by UCITS or NURS on the basis that: (i) the Company is a closed-ended investment company incorporated in England and Wales as a public limited company; (ii) the Shares are to be admitted to trading on the main market for listed securities of the London Stock Exchange; and (iii) the Investment Manager is authorised and regulated by the FCA and, as such, is subject to the rules in the FCA's conduct of its investment business. The manager of a UCITS or NURS should, however, satisfy itself that the Shares are eligible for investment by that UCITS or NURS, including the factors relating to that UCITS or NURS itself, specified in the Collective Investment Scheme Sourcebook of the FCA Handbook.

NO INCORPORATION OF WEBSITE INFORMATION

The Company's website address is www.aeweurope.com/en/Strategies/UK/LL-reit.html. The contents of the Company's website does not form part of the Prospectus.

PART 1

REASONS FOR THE SHARE ISSUANCE PROGRAMME

Introduction

The Company is a newly established closed-ended investment company incorporated in England and Wales on 18 April 2017. The Company intends to carry on business as the principal company of a REIT, subject to meeting the necessary qualifying conditions.

Applications will be made to each of the UK Listing Authority and the London Stock Exchange respectively, for all of the Shares to be issued pursuant to the Initial Issue to be admitted to the premium listing segment of the Official List and to trading on the Main Market. It is expected that Initial Admission will become effective and that dealings in the Shares will commence at 8.00 a.m. on 6 June 2017.

The assets of the Company will be managed by AEW UK Investment Management LLP.

Background to and benefits of the Share Issuance Programme

The Company's investment objective is to generate a secure and predictable income return, sustainable in real terms, whilst at least maintaining capital values, in real terms, through investment in a diversified portfolio of UK properties, predominately in alternative and specialist sectors. The Company has launched the Share Issuance Programme in order to achieve that objective.

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

- the net proceeds of any issue of Shares pursuant to the Share Issuance Programme (including the Initial Issue) will be used to invest in assets which will enable the Company to grow the Portfolio thereby adding further diversification to its assets;
- they allow the Company to tailor future equity issuance to its immediate pipeline, providing flexibility and minimising cash drag;
- they enable the Company to raise additional capital quickly, in order to take advantage of discrete pipeline investment opportunities;
- an increase in the size of the Company following Initial Admission is expected to improve liquidity of the Shares. This should enhance the marketability of the Company and should result in a broader investor base over the longer term;
- an increase in the size of the Company following Initial Admission will mean that the fixed costs of operating the Company are spread over a larger asset base, thereby reducing the Company's on-going charges per Share.

The Share Issuance Programme

Pursuant to the Share Issuance Programme, the Company is targeting an initial issue of £150 million. The Initial Issue will together comprise the Initial Placing and the Initial Offer for Subscription and the Intermediaries Offer. Following the Initial Issue, the Share Issuance Programme may be implemented by a subsequent Placing-Only Issue, the terms of which are set out in Part 5 of this Securities Note. It may also be implemented by a Subsequent Offer for Subscription and/or a Subsequent Intermediaries Offer, the terms of which will be published at the time of such Subsequent Offer for Subscription or Subsequent Intermediaries Offer pursuant to the Share Issuance Programme.

Pipeline

Within the twelve months to 31 March 2017 the Investment Manager received c.2,200 separate deal introductions via Propex, the online data exchange for the institutional property market, with a combined total value of c.£19.14 billion.

The Investment Manager, on behalf of the Company, has already identified a number of assets which meet the Company's investment objective and investment policy, including off-market assets identified through the Investment Manager's and its affiliates' extensive contacts and relationships. The Investment Manager has already commenced discussions concerning the acquisition of such assets for the Company and has advanced a number of exclusive negotiations on behalf of the

Company in relation to the acquisition of various assets. These acquisitions are subject to on-going due diligence by the Investment Manager and its professional advisers. The Company currently has no binding contractual obligations with potential vendors and although there can be no assurance that any of these properties will be purchased by the Company of, the Investment Manager is confident that sufficient suitable assets will be identified, assessed and acquired to substantially invest or commit the net proceeds of the Initial Issue within nine months following Initial Admission.

PART 2

THE SHARE ISSUANCE PROGRAMME AND THE INITIAL ISSUE

INTRODUCTION

The Company intends to issue up to 300 million Shares pursuant to the Share Issuance Programme in Tranches (including the Initial Issue). Shares will only be issued at times when the Company considers that suitable investments in accordance with the Company's investment policy will be capable of being secured within the near-term. Each Tranche will comprise a placing on similar terms to the Initial Placing and may, at the discretion of the Company, in consultation with the Investment Manager and Fidante Capital, comprise an offer for subscription component on similar terms to the Initial Offer for Subscription and/or an Intermediaries Offer.

Following the Initial Issue, the Share Issuance Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares on appropriate occasions over a period of time. The Share Issuance Programme is intended to satisfy market demand for the Shares and to raise further money for investment in accordance with the Company's investment policy.

The total net proceeds of the Share Issuance Programme (including the Initial Issue) will depend on the number of Shares issued throughout the Share Issuance Programme, the Issue Price of such Shares, and the aggregate costs and commissions for each Tranche. However, assuming that the maximum number of Shares available under the Share Issuance Programme are issued at an Issue Price of £1.00 per Share with aggregate costs and commissions of approximately £6 million, the total net proceeds of the Share Issuance Programme would be approximately £294 million.

The size and frequency of each Tranche following the Initial Issue, and of each placing and offer for subscription and Intermediaries Offer component of each Tranche, will be determined in the sole discretion of the Company in consultation with the Investment Manager and Fidante Capital.

THE SHARE ISSUANCE PROGRAMME

The Share Issuance Programme will open on 17 May 2017 and will close on 16 May 2018 (or any earlier date on which it is fully subscribed). The maximum number of Shares to be issued pursuant to the Share Issuance Programme is 300 million. The maximum number of Shares should not be taken as an indication of the number of Shares finally to be issued. The issue of Shares under the Share Issuance Programme is not being underwritten.

The price at which Shares are issued on a non-pre-emptive basis under the Share Issuance Programme will always represent a premium to the prevailing Net Asset Value per Share. The commissions and costs for each Tranche to be met by the Company will be capped at 2 per cent. of the gross proceeds of such Tranche.

As no Shares will be issued under the Share Issuance Programme at a price which is less than the aggregate of the Net Asset Value per Share and a premium to cover the commissions and expenses of the issue of new Shares under the Share Issuance Programme, there is not expected to be any dilution in the Net Asset Value per Share as a result of the issue of Shares under the Share Issuance Programme.

Following the Initial Issue, the issue of Shares under the Share Issuance Programme is at the discretion of the Directors. Issuance may take place at any time prior to, (i) the final closing date of 16 May 2018, or (ii) such earlier date as all the Shares the subject of the Share Issuance Programme are issued. In relation to each Tranche, which includes an offer for subscription component, a new securities note and new summary will be published and an announcement will be released through a Regulatory Information Service, including details of the number of Shares allotted and the applicable Issue Price.

It is anticipated that dealings in the Shares will commence no more than two Business Days after the trade date for each issue of Shares. Whilst it is expected that all Shares issued pursuant to a particular Tranche will be issued in uncertificated form, if any Shares are issued in certificated form it is expected that share certificates would be despatched approximately two weeks after Admission of the relevant Shares. No temporary documents of title will be issued.

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

The Share Issuance Programme will be suspended at any time when the Company is unable to issue Shares pursuant to the Share Issuance Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The Share Issuance Programme may resume when such conditions cease to exist, subject always to the final closing date of the Share Issuance Programme being no later than 16 May 2018.

CONDITIONS

The Initial Issue is conditional, *inter alia*, on:

- the Share Issuance Agreement having become unconditional in respect of the Initial Issue (save for Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission;
- Initial Admission having become effective on or before 8.00 a.m. on 6 June 2017 or such later time and/or date as the Company and Fidante may agree (not being later than 8.00 a.m. on 31 July 2017); and
- The Minimum Net Proceeds being raised (or such lesser amount as the Company and Fidante may determine and notify to investors via an RIS announcement and the publication of a supplementary prospectus).

The Directors also have the discretion not to proceed with the Initial Issue if all of the above conditions (including raising the Minimum Net Proceeds) have been met. If the Initial Issue does not proceed, any monies received under the Initial Issue will be returned to applicants without interest at the applicants' risk.

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

- the applicable issue price being not less than the latest published Net Asset Value per Share;
- Admission of the relevant Shares issued pursuant to each Tranche; and
- the Share Issuance Agreement having become unconditional in respect of the relevant Tranche and not having been terminated in accordance with its terms or a particular Tranche not having been suspended in accordance with the terms of the Share Issuance Agreement.

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

THE INITIAL ISSUE

Overview

The Initial Issue is being implemented by way of the Initial Placing, Initial Offer for Subscription and Intermediaries Offer which will each be made at an Initial Issue Price of £1.00 per Share. The Company is targeting an initial issue of £150 million.

The Initial Placing

The terms and conditions which apply to any subscriber for Shares pursuant to the Initial Placing (and which also apply to any subsequent Placing-Only Issue) are set out in Part 5 of this Securities Note.

It is expected that Initial Admission will become effective and that unconditional dealings in the Shares issued pursuant to the Initial Placing will commence at 8.00 a.m. on 6 June 2017. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. The Initial Issue Price is £1.00 per Share.

There is no minimum or maximum subscription amount under the Initial Placing.

The Initial Offer for Subscription

The Company has agreed to make an offer of Shares pursuant to the Initial Offer for Subscription in the UK at the Initial Issue Price, subject to the Terms and Conditions of Application. These terms and conditions are set out in Part 6 of this Securities Note and the Application Form should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of the Prospectus or the acquisition of Shares.

Application Forms accompanied by a cheque or banker's draft in Sterling made payable to "Computershare Investor Services PLC re: AEW UK Long Lease REIT plc – Offer for Subscription

A/C" and crossed "A/C Payee Only" for the appropriate sum should be returned to the Receiving Agent by no later than 5.00 p.m. on 30 May 2017. If the Initial Offer for Subscription is extended, the revised timetable will be notified to any investors who have returned Application Forms.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 5.00 p.m. on 30 May 2017. Please contact Computershare Investor Services PLC by email at OFSPaymentQueries@computershare.co.uk and Computershare will then provide applicants with a unique reference number which must be used when sending payment.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to Computershare's participant account 3RA28 by no later than 1.00 p.m. on 2 June 2017, allowing for the delivery and acceptance of Shares to be made against payment of the Initial Issue Price per Share, following the CREST matching criteria set out in the Application Form.

Applications under the Initial Offer for Subscription must be for a minimum subscription amount of £1,000, and thereafter in multiples of £100. Commitments under the Initial Offer for Subscription, once made, may not be withdrawn without the consent of the Board. The Directors reserve the right to refuse applications for any reason.

The Intermediaries Offer

In connection with the Initial Offer for Subscription, the Company will appoint certain Intermediaries to market the Shares to potential retail investors in the United Kingdom. The Intermediaries who have been appointed by the Company prior to the date of the Prospectus are listed in paragraph 6 of Part 4 of this Securities Note. Further Intermediaries may be appointed by the Company after the date of this Securities Note.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries in relation to the offering of Shares on market standard terms and provide for the payment of commission to any such Intermediaries that elect to receive commission from Fidante Capital.

Each Intermediary will submit one or more Application Forms pursuant to the Initial Offer for Subscription in its own name, as nominee, for the aggregate number of Shares procured by it via subscriptions from underlying retail investors.

Each applicant who applies for Shares via an Intermediary must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Shares available to satisfy an application in full (due to scaling back of subscriptions or otherwise), the relevant Intermediary will be obliged to refund the applicant as required and all such refunds shall be made without interest. The Company and Fidante Capital accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Pursuant to the Intermediaries Terms and Conditions, the Intermediaries have undertaken to make payment on their own behalf for the consideration for any Shares subscribed pursuant to the Initial Offer for Subscription by means of the CREST system against delivery of the Shares.

The publication of the Prospectus and any actions of the Company, Fidante Capital, the Intermediaries or other persons in connection with the Initial Offer for Subscription should not be taken as any representation or assurance as to the basis on which the number of Shares to be offered under the Initial Offer for Subscription or allocations between applications in the Initial Offer for Subscription (from Intermediaries or otherwise) will be determined and any such actions or statements are hereby disclaimed by the Company, Fidante Capital and the Intermediaries.

OFFICIAL LIST AND MAIN MARKET

Applications will be made to the UK Listing Authority for the Shares issued pursuant to the Share Issuance Programme to be admitted to listing on the premium listing segment of the Official List. Applications will also be made to the London Stock Exchange for such Shares to be admitted to trading on the Main Market.

The Company is subject to, and complies with, the on-going requirements of the Listing Rules, the Prospectus Rules, the Disclosure Guidelines and Transparency Rules and MAR.

INITIAL ADMISSION

Initial Admission is expected to take place at 8.00 a.m. on 6 June 2017. An investor applying for Shares under the Initial Issue may receive Shares in certificated or uncertificated form. The Shares are in registered form. No temporary documents of title will be issued. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. It is expected that CREST accounts will be credited on 6 June 2017 in respect of Shares issued in uncertificated form and definitive share certificates in respect of Shares held in certificated form will be despatched by post during the week commencing 12 June 2017.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share.

SCALING BACK AND ALLOCATION

The Company reserves the right to decline in whole or in part any application for Shares pursuant to the Issue and to scale back the Initial Placing in favour of the Initial Offer for Subscription. The Directors have reserved the right, in consultation with the Investment Manager and Fidante Capital, to increase the size of the Initial Issue, with any such increase being announced through a Regulatory Information Service. In the event that aggregate applications for Shares under the Initial Issue were to exceed the maximum size of the Initial Issue, it would be necessary to scale back applications. Fidante Capital reserves the right, at its sole discretion, but after consultation with the Board and the Investment Manager, to scale back applications in such amounts as it considers appropriate.

The Directors have the discretion (in consultation with the Investment Manager and Fidante Capital) to determine the basis of allocation within and between the Initial Offer for Subscription and the Initial Placing and the Intermediaries Offer. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they have applied.

The Company will notify investors of the number of new Shares in respect of which their application has been successful and the results of the Initial Issue will be announced by the Company on or around 1 June 2017 via a Regulatory Information Service announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned, by cheque, without interest at the risk of the applicant to the bank account from which the money was received.

WITHDRAWAL

In the event that the Company is required to publish a supplementary prospectus prior to Initial Admission, applicants who have applied for Shares under the Initial Issue shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire Shares in its entirety. The right to withdraw an application to acquire Shares in these circumstances will be available to all investors in the Initial Issue. If the application is not withdrawn within the stipulated period, any offer to apply for Shares will remain valid and binding.

Investors under the Initial Offer for Subscription wishing to exercise statutory withdrawal rights after the publication of a supplementary prospectus and prior to Initial Admission must do so by lodging written notice of withdrawal by hand (during normal business hours only) with Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS13 8AE or by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, so as to be received by 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 after expiry of such period will not constitute a valid withdrawal.

DILUTION

The Company is seeking to issue new Shares in the future pursuant to the Share Issuance Programme. While the Act contains statutory pre-emption rights for Shareholders in relation to issues of Shares in consideration for cash, such rights have been disapplied in respect of the maximum amount of Shares that may be issued pursuant to the Share Issuance Programme.

Where statutory pre-emption rights are disapplied, any subsequent issues of Shares will be dilutive, with regard to voting rights, to those Shareholders who cannot, or choose not to, participate.

As no Shares will be issued under the Share Issuance Programme at a price which is less than the aggregate of the Net Asset Value per Share and a premium to cover the commissions and expenses of the issue of new Shares under the Share Issuance Programme, there is not expected to be any dilution in the Net Asset Value per Share as a result of the issue of Shares under the Share Issuance Programme.

GENERAL

The Company, the Investment Manager and Fidante Capital have entered into the Share Issuance Agreement relating to the establishment of the Share Issuance Programme and each issue thereunder (including the Initial Issue), pursuant to which Fidante Capital has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Shares made available under the Initial Placing.

Applications pursuant to the Initial Placing and any Placing-Only Issue under the Share Issuance Programme will be on the terms and conditions set out in Part 5 of this Securities Note.

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

The Directors (in consultation with the Investment Manager and Fidante Capital) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Shares under any Tranche (including the Initial Issue).

If any Tranche (including the Initial Issue) does not proceed, any monies received under that Tranche will be returned to applicants without interest.

CLEARING AND SETTLEMENT

Shares issued pursuant to each Tranche (including the Initial Issue) will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from the relevant date of Admission. In the case of Shares to be issued in uncertificated form pursuant to any Tranche (including the Initial Issue), these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Shares following the relevant Admission may take place within the CREST system if any Shareholder so wishes. CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that the Company will arrange for Euroclear to be instructed on the relevant Admission date to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Shares outside of the CREST system following the closing of each Tranche (including the Initial Issue) should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

Shareholders holding their Shares through CREST or otherwise in uncertificated form may obtain from the Registrar (as evidence of title) a certified extract from the Register showing their shareholding.

OVERSEAS PERSONS

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below. The offer of Shares to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares. It is the responsibility of all Overseas Persons receiving the Prospectus and/or wishing to subscribe for Shares to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

In particular, no person receiving a copy of the Prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements. Persons (including, without limitation, nominees and trustees) receiving the Prospectus may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations including, but not limited to, the Excluded Territories.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

TYPICAL INVESTOR

An investment in the Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable financially sophisticated non-advised private investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

PART 3

TAXATION

1 UNITED KINGDOM TAX TREATMENT OF SHAREHOLDERS UNDER REIT STATUS

1.1 Introduction

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice, each of which is subject to change, possibly with retrospective effect. They do not constitute advice.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Shares, in each case, after the Company achieves and maintains REIT status. Except where otherwise indicated, they apply only to Shareholders who are resident for tax purposes solely in the United Kingdom. They apply only to Shareholders who are the absolute beneficial owners of both their PIDs and their Shares and who hold their Shares as investments. They do not apply to Substantial Shareholders. They do not apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Shares by reason of their or another's employment, persons who hold their Shares as part of hedging or conversion transactions, or persons who hold their Shares in connection with a UK branch, agency or permanent establishment. Except where otherwise indicated at paragraph 1.3(d) (Withholding tax) below, they do not apply to persons holding Shares by virtue of an interest in any partnerships, insurance companies, life insurance companies, mutual companies, collective investment schemes, charities, trustees, local authorities, or pension scheme administrators.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

1.2 UK taxation of Non-PID Dividends

(a) *Individual Shareholders*

A Shareholder who is an individual resident for UK tax purposes in the UK and who receives a Non-PID Dividend from the Company will be entitled to a dividend allowance in the form of a 0 per cent. tax rate on the first £5,000 of dividend income per year. UK resident individual Shareholders will pay tax on any dividends received over the £5,000 allowance at the following rates: 7.5 per cent. on dividend income within the basic rate band, 32.5 per cent. on dividend income within the higher rate band and 38.1% on dividend income within the additional rate band. It has been announced that the dividend allowance will be reduced to £2,000 for dividends received in 2018/19 and subsequent years.

(b) *Corporate Shareholders*

A Shareholder within the charge to UK corporation tax which is a "small company" (for the purposes of UK taxation of dividends) will not generally be subject to tax on Non-PID Dividends from the Company, provided certain conditions are met.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on Non-PID Dividends from the Company so long as they fall within an exempt class and do not fall within certain specified anti-avoidance provisions. Examples of dividends that are within an exempt class are dividends paid on "non-redeemable ordinary shares" for UK tax purposes and dividends in respect of portfolio holdings, where the recipient owns less than 10 per cent. of the issued share capital of the payer (or any class of that share capital).

1.3 UK taxation of PIDs

(a) *UK taxation of individual Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in Section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part

12 of the CTA 2010 applies, treated as a separate UK property business from any other UK property business (a “**different UK property business**”) carried on by the relevant Shareholder. This means that surplus expenses from a Shareholder’s different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder’s UK property business.

Please see also paragraph (d) (Withholding tax) below.

(b) *UK taxation of corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to UK corporation tax as profit of a UK property business (as defined in Section 205 of the Corporation Tax Act 2009). This means that, subject to the availability of any exemptions or reliefs, such Shareholders will be liable to UK corporation tax on income on the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a different UK property business carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder’s different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder’s UK property profits.

Please see also paragraph (d) (Withholding tax) below.

(c) *UK taxation of Shareholders who are not resident for tax purposes in the UK*

Where a Shareholder who is resident outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding by the Company.

Please see also paragraph (d) (Withholding tax) below.

(d) *Withholding tax*

- General

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs. The Company will provide Shareholders with a certificate setting out the amount of tax withheld.

- Shareholders solely resident in the UK

Where UK income tax has been withheld at source, Shareholders who are individuals may, depending on their circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are bodies corporate may, depending upon their circumstances, be liable to pay UK corporation tax on their PID but they should note that, where income tax is (exceptionally) withheld at source, the tax withheld can be set against the Shareholder’s liability to UK corporation tax in the accounting period in which the PID is received.

- Shareholders who are not resident for tax purposes in the UK

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

- Exceptions to requirement to withhold income tax

Shareholders should note that in certain circumstances the Company may not be obliged to withhold UK income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a charity, or a body mentioned in Section 468 of the CTA 2010 which is allowed the same exemption from tax as a charity. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the sub-

scheme administrator of certain pension sub-schemes or the account manager of an ISA, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

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

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form.

1.4 **UK taxation of chargeable gains, stamp duty and stamp duty reserve tax (“SDRT”) in respect of Shares**

Subject to the first paragraph of paragraph 1.1 above, the following comments in paragraph (a) apply to individual and corporate Shareholders as set out below. The comments in paragraph (b) apply regardless of whether such Shareholders are resident for tax purposes in the UK or not.

(a) *UK taxation of chargeable gains*

Individual Shareholders who are resident or ordinarily resident in the UK for tax purposes will generally be subject to UK capital gains tax in respect of any gain arising on a disposal of their Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,300 for the tax year 2017-2018.

For individual shareholders, capital gains tax at the rate of 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers) may be payable on any gain (tax year 2017-18). Individuals may benefit from certain reliefs and allowances (including an annual exemption, which exempts the first £11,300 (tax year 2017/18) of gains from tax) depending on their circumstances.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax on chargeable gains arising on a disposal of their Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to UK corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder’s total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

(b) *UK stamp duty and SDRT*

Transfers on a sale of Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Shares will normally give rise to a charge to stamp duty reserve tax (“SDRT”) at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent, of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

1.5 ISA, SSAS and SIPPs

Shares acquired by a UK resident individual Shareholder pursuant to the Initial Offer for Subscription or in the secondary market (but not pursuant to the Initial Placing or any subsequent Placing-Only Issue or the Intermediaries Offer under the Share Issuance Programme) should be eligible to be held in an ISA, subject to applicable annual subscription limits.

Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder's annual limit; but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Individuals wishing to invest in Shares through an ISA should contact their professional advisers regarding their eligibility.

Subject to the rules of the trustees of the SIPP or SSAS, the Shares should be eligible for inclusion in a SIPP or SSAS provided, broadly, that the pension scheme member (or a connected person) does not occupy or use any residential property held by the Company and the SIPP or SSAS in question does not hold (directly or indirectly) more than 10 per cent. of any of the Shares or the Company's voting rights or rights to income or amounts on a Distribution or rights to the assets on a winding up.

PART 4

ADDITIONAL INFORMATION

1 SHARE CAPITAL

- 1.1 The principal legislation under which the Company operates, and under which the Shares were created, is the Companies Act. The Shares are denominated in Sterling.
- 1.2 The Company's share capital: (i) as at the date of this Securities Note, and (ii) as it will be immediately following Initial Admission (assuming 150 million Shares are issued in the Initial Issue) is as follows:

	<i>Shares</i>		<i>Restricted Shares</i>	
	<i>Aggregate nominal value</i>	<i>Number</i>	<i>Aggregate nominal value</i>	<i>Number</i>
(i) As at the date of this Securities Note	£0.01	1	£50,000	50,000
(ii) Immediately following the Initial issue*	£1,500,000	150,000,000	—	—

* All Shares will be fully paid at Initial Admission. The Restricted Shares were issued to enable the Company to be granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers and will be redeemed at par immediately following Initial Admission out of the proceeds of the Initial Issue. The Shares are not redeemable.

- 1.3 On incorporation on 18 April 2017, one Share was issued at £1.00 (fully paid) for the purposes of incorporation to the subscriber to the Company's memorandum of association. On 4 May 2017, 50,000 Restricted Shares were issued at par (fully paid) to the Investment Manager.
- 1.4 The effect of the Initial Issue will be to increase the net assets of the Company. On the assumption that the gross proceeds of the Initial Issue are £150 million, the Initial Issue is expected to increase the net assets of the Company by c.£147 million. The Initial Issue is expected to be earnings enhancing.
- 1.5 By ordinary and special resolutions passed on 8 May 2017:
- (a) the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 300 million Shares, such authority to expire at the later of the third annual general meeting of the Company and 31 December 2020 save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;
 - (b) the Directors were generally empowered (pursuant to section 570 of the Companies Act) to allot Shares and to sell Shares from treasury for cash pursuant to the authority referred to in paragraph 3.5(a) above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the later of the conclusion of the third annual general meeting of the Company and 31 December 2020, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Shares to be allotted and/or transferred after such expiry and the Directors may allot and/or transfer Shares in pursuance of such an offer or agreement as if such power had not expired;
 - (c) conditionally upon the issue of Shares by the Company pursuant to the Initial Issue, and the payment up in full thereof, it was resolved that the amount standing to the credit of the share premium account of the Company following completion of the Initial Issue be cancelled;
 - (d) the Company was authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Shares provided that the maximum number of Shares authorised to be purchased is 14.99 per cent. of the Shares in issue immediately following completion of the Initial Issue. The minimum price which may be paid for a Share is £0.01. The maximum price

which may be paid for a Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market value of the Shares for the five Business Days before the purchase is made; or (ii) the higher of the last independent trade and the highest current independent bid for Shares. Such authority will expire on the conclusion of the first annual general meeting of the Company save that the Company may contract to purchase Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or maybe executed wholly or partly after the expiry of such authority and may purchase Shares in pursuance of such contract; and

- (e) a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 days' notice.
- 1.6 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraph 1.5 above.
- 1.7 The Companies Act abolished the requirement for companies incorporated in England and Wales to have an authorised share capital. Furthermore, the Articles do not contain a provision expressly limiting the number of Shares that can be issued by the Company.
- 1.8 In accordance with the power granted to the Directors by the Articles, it is expected that the Shares will be allotted (conditionally upon Initial Admission) pursuant to a resolution of the Board to be passed shortly before Initial Admission in accordance with the Companies Act.
- 1.9 All of the Shares are in registered form and are eligible for settlement in CREST. Temporary documents of title will not be issued. The Company utilises the services of the Registrar in relation to the transfer and settlement of Shares held in uncertificated form.

2 INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- 2.1 The Directors and their associates intend to subscribe for Shares pursuant to the Initial Issue in the amounts set out below:

<i>Name</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital (%)*</i>
Stephen Smith	20,000	0.01
Alan Sippetts	20,000	0.01
George Henshilwood	20,000	0.01

* assuming 150 million Shares are issued pursuant to the Initial Issue.

- 2.2 As at the date of this document, insofar as is known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.
- 2.3 Pending the allotment of Shares pursuant to the Initial Issue, the Company is controlled by the Investment Manager, as described in paragraph 1 of this Part 4 above. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 2.4 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 2.5 All Shareholders have the same voting rights in respect of the share capital of the Company.

3 RIGHTS ATTACHED TO THE SHARES

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

3.1 *Voting rights*

- (a) Subject to the provisions of the Companies Act, to any special terms as to voting on which any Shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the

resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- (b) Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.
- (c) For so long as the Listing Rules apply to the Company and require a vote of the members to be undertaken, only those members who hold ordinary shares shall be entitled to vote on the resolution to be proposed in accordance with the relevant provisions of the Listing Rules, save that should the Listing Rules require that only independent shareholders be entitled to vote, any member who exercises or controls either on its own or together with any person with whom it is acting in concert, 30 per cent. or more of the Shares shall not be entitled to vote on the resolution of independent shareholders to be proposed in accordance with the relevant provisions of the Listing Rules.

3.2 *Dividends*

- (a) Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for Distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (c) All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (d) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the Distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (e) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

- (f) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

3.3 *Winding up*

- (a) If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, divide among the shareholders in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders.
- (b) The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.
- (c) The Directors are required to propose an ordinary resolution that the Company continue its business as presently constituted (the "**Continuation Resolution**") at the annual general meeting of the Company to be held in 2022. If the Continuation Resolution is not passed, the Directors will formulate proposals to be put to Shareholders to reorganise, restructure or wind-up the Company and to present such proposals to Shareholders within six months of the date of the annual general meeting at which the continuation resolution was proposed.

3.4 *Transfer of shares*

- (a) Subject to such of the restrictions in the Articles as may be applicable, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.
- (b) The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
 - (i) it is in respect of a share which is fully paid up;
 - (ii) it is in respect of only one class of shares;
 - (iii) it is in favour of a single transferee or not more than four joint transferees;
 - (iv) it is duly stamped (if so required); and
 - (v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.

- (c) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.
- (d) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (e) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- (f) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 6.5.7 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- (g) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- (h) Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such

transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets “of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

3.5 *Variation of rights*

- (a) If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Companies Act.
- (b) The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

3.6 *Alteration of share capital*

The Company may, from time to time, by ordinary resolution:

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (c) subject to the provisions of the Companies Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (d) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

3.7 *Restricted Shares*

The Restricted Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company for an amount equal to their nominal value and carry the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the shares payable on demand. The holders of the Restricted Shares will not have any right to receive notice of or vote at any general meeting of the Company.

4 CITY CODE ON TAKEOVERS AND MERGERS

4.1 *Mandatory bid*

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- (a) a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in Shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Shares at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months.

4.2 *Compulsory acquisition*

Under Sections 974 – 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the Shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding Shares not assented to the offer. It would do so by sending a notice to outstanding holders of Shares telling them that it will compulsorily acquire their Shares and then, six weeks later, it would execute a transfer of the outstanding Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of Shares. The consideration offered to the holders whose Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to Section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the Shares (in value and by voting rights) to which the offer relates, any holder of Shares to which the offer relates who has not accepted the offer may require the offeror to acquire his Shares on the same terms as the takeover offer.

The offeror would be required to give any holder of Shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of Shares notifying them of their sell-out rights. If a holder of Shares exercises its rights, the offeror is bound to acquire those Shares on the terms of the takeover offer or on such other terms as may be agreed.

5 **WORKING CAPITAL**

The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Securities Note.

6 **INTERMEDIARIES**

The Intermediaries authorised at the date of this Securities Note to use this Securities Note, the Summary and the Registration Document and any Future Summary and Future Securities Note are:

<i>Name</i>	<i>Address</i>
AJ Bell Securities Limited	4 Exchange Quay, Salford Quays, Manchester, M5 3EE
Alliance Trust Savings Limited	PO Box 164 8 West Marketgait, Dundee, DD1 9YP
Barclays Bank plc	1 Churchill Place, London, E14 5HP
Cornhill Capital Limited	4th Floor, 18 St Swithins Lane, London EC4N 8AD
Equiniti Financial Services Limited	Aspect House, Spencer Road, Lancing, BN99 6DA
Hargreave Hale Limited	Talisman House, Boardmans Way, Blackpool, FY4 5FY
Hargreaves Lansdown Asset Management Limited	One College Square South, Anchor Road, Bristol, BS1 5HL
IG Markets Limited	Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA
Interactive Investor Trading Limited	Standon House, 21 Mansell Street, London E1 8AA
Jarvis Investment Management Limited	78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS
Redmayne-Bentley LLP	9 Bond Court, Leeds, LS1 2JZ
Shore Capital Stockbrokers Limited	Bond Street House, 14 Clifford Street, London W1S 4JU
SVS Securities PLC	20 Ropemaker Street, London EC2Y 9AR
Syndicate Room Limited	The Pitt Building, Trumpington Street, Cambridge, CB2 1RP
Walker Crips Stockbrokers Limited	Finsbury Tower, 103-105 Bunhill Row, London EC1Y 8LZ

7 **General**

- 7.1 On the assumption that Gross Proceeds of £150 million are raised pursuant to the Initial Issue, the expenses payable by the Company in respect of the Initial Issue will not exceed £3 million (being 2 per cent. of the Gross Proceeds), resulting in Net Proceeds of approximately £147 million.

- 7.2 The actual Net Proceeds are not known as at the date of this Securities Note but will be notified by the Company via a Regulatory Information Service announcement prior to Initial Admission in relation to the Shares issued pursuant to the Initial Issue.
- 7.3 The total net proceeds of the Share Issuance Programme (including the Initial Issue) will depend on the number of Shares issued throughout the Share Issuance Programme, the issue price of such Shares, and the aggregate costs and commissions for each Tranche. However, the aggregate costs and commissions of each Tranche will be capped at a level of 2 per cent. of the gross issue proceeds (including any premium) of each Tranche.
- 7.4 Where third party information has been referenced in this Securities Note, the source of that third party information has been disclosed. All information in this Securities Note that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

8 AIFM DIRECTIVE DISCLOSURES

- 8.1 Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Chapter 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, three per cent. of the Company's voting rights or any one percent. threshold above that.
- 8.2 While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.
- 8.3 Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Act. Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.
- 8.4 By subscribing for Shares, investors agree to be bound by the Articles which is governed by, and construed in accordance with, the laws of England and Wales.
- 8.5 Regulation (EC) 593/2008 ("**Rome I**") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement. Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.

- 8.6 The Company is reliant on the performance of third party service providers, including the Administrator, the Depositary, the Auditor, the Valuer and the Registrar. Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default. In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers. The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of FSMA, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.
- 8.7 The Investment Manager has agreed, pursuant to the Investment Management Agreement, to maintain from admission of the Shares issued pursuant to the Initial Issue to trading on the Main Market and to the premium listing segment of the Official List, until the sixth anniversary of the date of termination of the Investment Management Agreement, professional indemnity cover of not less than £10 million.
- 8.8 The Investment Manager has not delegated any significant function and is responsible for the discretionary portfolio management and exercising the risk management function in respect of the Company.
- 8.9 The Depositary has not delegated any safe keeping functions in respect of the Company.
- 8.10 The Company is a closed-end listed investment company and, as such, Shareholders in the Company have no right to redeem their Shares. Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due. In managing the Company's assets therefore the Investment Manager seeks to ensure that the Company holds at all times a sufficient portfolio of assets to enable it to discharge its payment obligations.
- 8.11 The annual running costs of the Company, assuming the gross proceeds of the Initial Issue are £150 million, are estimated to be in the region of £1.6 million per annum excluding any non-recurring or extraordinary expenses. Given that many of the fees are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.
- 8.12 As a company listed on the premium listing segment of the Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.
- 8.13 The Shares issued pursuant to the Share Issuance Programme will be admitted to trading on the London Stock Exchange's Main Market for listed securities. Accordingly, the Shares may be purchased and sold on the Main Market. Shares may be issued at the Board's discretion and providing relevant shareholder issuance authorities are in place. While the Company will typically have Shareholder authority to buy back Shares any such buy back is at the absolute discretion of the Board and no expectation or reliance should be placed on the Board exercising such discretion.
- 8.14 As at Initial Admission, the unaudited Net Asset Value per Share will be no less than 98 pence. When published, net asset value announcements can be found on the Company's website: www.aeweurope.com/en/Strategies/UK/LL-reit.html.
- 8.15 The Company has yet to publish its first annual report for the period ending 30 June 2018 in line with FUND 3.3. When published, annual reports can be found on the Company's website: www.aeweurope.com/en/Strategies/UK/LL-reit.html.
- 8.16 The Company has yet to publish its audited financial statements for the period from 18 April 2017 (being the date of the incorporation of the Company) to 30 June 2018. When published, annual and interim financial statements can be found on the Company's website: www.aeweurope.com/en/Strategies/UK/LL-reit.html.

- 8.17 The Depositary, its affiliates or third parties to whom safekeeping duties are delegated under the Depositary Agreement may not reuse the assets.
- 8.18 In order to meet the requirements of paragraphs 4 and 5 of Article 23 of the AIFM Directive, the Company intends to disclose annually in the Company's annual report: (i) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature if applicable; (ii) any new arrangements for managing the liquidity of the Company, and (iii) the current risk profile of the Company and the risk management systems employed by the Investment Manager to manage those risks. Information will also be provided to investors regarding any changes to: (i) the maximum level of leverage that the Investment Manager may employ on behalf of the Company; (ii) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and (iii) the total amount of leverage employed by the Company.

PART 5

TERMS AND CONDITIONS OF THE INITIAL PLACING AND EACH FURTHER PLACING UNDER A PLACING-ONLY ISSUE

1 INTRODUCTION

- 1.1 Each Placee which confirms its agreement (whether orally or in writing) to Fidante Capital and/or Pershing Securities Limited (“**PSL**”) (acting as the settlement agent of Fidante Capital in connection with the Initial Placing and/or any Further Placing) to acquire the Shares pursuant to the Initial Placing and/or any Further Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 Fidante Capital may require any Placee procured by it to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as Fidante Capital (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter.

2 AGREEMENT TO ACQUIRE SHARES

Conditionally upon:

- 2.1 in the case of the Initial Placing, Initial Admission occurring and becoming effective by 8.00 a.m. (London time) on 6 June 2017 (or such later time and/or date as the Company, the Investment Manager and Fidante Capital may agree (not being later than 8.00 a.m. on 31 July 2017)) and in the case of any Further Placing, Admission of the relevant Shares issued under that Further Placing occurring no later than 8.00 a.m. on such date as may be agreed between the Company, the Investment Manager and Fidante Capital prior to the closing of that Further Placing, not being later than 16 May 2018;
- 2.2 in the case of the Initial Placing, the Minimum Net Proceeds being raised (or such lesser amount as the Company and Fidante may determine and notify to investors via an RIS announcement and a supplementary prospectus);
- 2.3 the Share Issuance Agreement becoming otherwise unconditional in all respects in relation to the Initial Placing or the relevant Further Placing, as applicable, (save as to Admission of the relevant Shares) and not having been terminated in accordance with its terms on or before the date of the relevant Admission; and
- 2.4 Fidante Capital confirming to Placees their allocation of Shares, each Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by Fidante at the Initial Issue Price in the case of the Initial Placing and at the applicable Subsequent Issue Price in the case of any Further Placing.

To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3 PAYMENT FOR SHARES

- 3.1 Each Placee must pay the applicable Issue Price or the applicable Subsequent Issue Price for the Shares issued to the Placee in the manner and by such time as directed by Fidante Capital. If any Placee fails to pay as so directed and/or by the time required by Fidante Capital, the relevant Placee shall be deemed hereby to have appointed Fidante Capital or any nominee of Fidante Capital as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Shares allocated to the Placee in respect of which payment shall not have been made as directed, and to indemnify Fidante Capital and its affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales.
- 3.2 A sale of all or any of such Shares shall not release the relevant Placee from the obligation to make such payment for relevant Shares to the extent that Fidante Capital or its nominee has failed to sell such Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the applicable Issue Price per Share.

4 REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Shares, each Placee that is outside the United States and is not a U.S. Person and which enters into a commitment with Fidante Capital to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to Fidante Capital, Kepler Partners, PSL, the Registrar, the Company and their respective officers, agents and employees that:

- 4.1 it is not a U.S. Person, is not located within the United States and is not acquiring the Shares for the account or benefit of a U.S. Person;
- 4.2 it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S;
- 4.3 it has received, carefully read and understands the Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other presentation or offering materials concerning the Shares into or within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.4 it is relying solely on the Prospectus and any supplementary prospectus issued by the Company prior to the relevant Admission and not on any other information given, or representation or statement made at any time, by any person concerning the Company and/or the Initial Placing and/or any Further Placing. It agrees that none of the Company, Fidante Capital, Kepler Partners, PSL nor the Registrar nor any of their respective officers, agents or employees will have any liability for any other information, representation or statement made or purported to be made by them or on its or their behalf in connection with the Company and/or the Initial Placing and/or any Further Placing and irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.5 if the laws of any territory or jurisdiction outside England and Wales are applicable to its agreement to subscribe for Shares under the Initial Placing and/or a Further Placing, it has complied with all such laws, obtained all governmental and other consents, licences and authorisations which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the breach, whether by itself, the Company, Fidante Capital, Kepler Partners, PSL, the Registrar or any of their respective directors, officers, agents or employees of the regulatory or legal requirements, directly or indirectly, of any other territory or jurisdiction in connection with the Initial Placing and/or any Further Placing;
- 4.6 it has carefully read and understands the Prospectus in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part 5 and the Articles as in force at the date of Initial Admission in the case of the Initial Issue or the relevant date of Admission in the case of any Further Placing and agrees that in accepting a participation in the Initial Placing and/or a Further Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Shares;
- 4.7 it has not relied on Fidante Capital or Kepler Partners or any person affiliated with Fidante Capital (which, for the avoidance of doubt, in this document includes PSL) or any person affiliated with Kepler Partners in connection with any investigation of the accuracy or completeness of any information contained in the Prospectus or any supplementary prospectus published by the Company prior to the relevant Admission;
- 4.8 the content of the Prospectus and any supplementary prospectus published by the Company prior to the relevant Admission is exclusively the responsibility of the Company, and the Directors and neither Fidante Capital nor Kepler Partners nor PSL nor any person acting on any of their behalf nor any of their affiliates is responsible for or shall have any liability for any information, representation or statement contained in the Prospectus or any supplementary prospectus published by the Company prior to the relevant Admission or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing and/or any Further Placing based on any information, representation or statement contained in the Prospectus or any supplementary prospectus published by the Company prior to the relevant Admission or otherwise;

- 4.9 it acknowledges that no person is authorised in connection with the Initial Placing and/or any Further Placing to give any information or make any representation other than as contained in the Prospectus and any supplementary prospectus published by the Company prior to the relevant Admission and, if given or made, any information or representation must not be relied upon as having been authorised by Fidante Capital or or Kepler Partners or PSL or the Company;
- 4.10 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.11 it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the U.S. Investment Company Act;
- 4.12 it accepts that none of the Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Shares may not be offered, sold or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- 4.13 it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, to ensure that the Company is not and will not be required to register under the Investment Company Act;
- 4.14 no portion of the assets used to acquire, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the U.S. Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Code; or (iii) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or a "plan" described in preceding clause (i) or (ii) in such entity, pursuant to 29. C.F.R. 2510.3-101 as modified by Section 3(42) of ERISA. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Code, its acquisition, holding, and disposition of the Shares will not constitute a violation of law or result in a non-exempt prohibited transaction under Section 503 of the U.S. Code or any substantially similar law;
- 4.15 if any Shares are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

AEW UK LONG LEASE REIT PLC (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE PROVISIONS OF REGULATION S UNDER THE U.S. SECURITIES ACT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON, BY PRE-ARRANGEMENT OR OTHERWISE AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, OR (II) WITHIN THE UNITED STATES IN ACCORDANCE WITH RULE 144 OF THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION IN THE

UNITED STATES, IN EACH CASE OF CLAUSE (I) OR (II), IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, UPON SURRENDER OF THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE AND DELIVERY OF A WRITTEN CERTIFICATION THAT SUCH TRANSFEROR IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS CLAUSE IN THE FORM OF A DULY COMPLETED AND SIGNED OFFSHORE TRANSACTION LETTER (THE FORM OF WHICH MAY BE OBTAINED FROM THE REGISTRAR) TO THE COMPANY, WITH COPIES TO THE REGISTRAR. IN ADDITION, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY PERSON USING THE ASSETS OF (I) (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA THAT IS SUBJECT TO TITLE I OF ERISA; (B) A "PLAN" AS DEFINED IN SECTION 4975 OF THE U.S. CODE, INCLUDING AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE CODE; OR (C) AN ENTITY WHICH IS DEEMED TO HOLD THE ASSETS OF ANY OF THE FOREGOING TYPES OF PLANS, ACCOUNTS OR ARRANGEMENTS THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE U.S. CODE OR (II) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE U.S. CODE IF THE PURCHASE, HOLDING OR DISPOSITION OF THE SECURITIES WILL NOT RESULT IN A VIOLATION OF APPLICABLE LAW AND/OR CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 503 OF THE U.S. CODE OR ANY SUBSTANTIALLY SIMILAR LAW.

- 4.16 if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Shares or any beneficial interest therein, it will do so only: (i) in an "offshore transaction" complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by prearrangement or otherwise; (ii) within the United States in accordance with Rule 144 of the U.S. Securities Act, if available, and in compliance with any applicable securities laws of any state or other jurisdiction in the United States; or (iii) to the Company or a subsidiary thereof;
- 4.17 it is acquiring the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 4.18 if it is a resident in the European Economic Area (other than the United Kingdom), it is: (i) a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(i), (ii) or (iii) of the Prospectus Directive (as amended); and (ii) if that Relevant Member State has implemented the AIFM Directive, that it is a person to whom the Shares may be lawfully marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that Relevant Member State;
- 4.19 in the case of any Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive: (i) the Shares acquired by it in the Initial Placing and/or a Further Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive (as amended), or in circumstances in which the prior consent of Fidante Capital has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive (as amended) as having been made to such persons;
- 4.20 if it is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or any Further Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Initial Placing and/or any Further Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such

person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other legal requirements;

- 4.21 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- 4.22 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Shares under the Initial Placing or the relevant Further Placing, as applicable, and will not be any such person on the date any such relevant Initial Placing or Further Placing commitment is accepted;
- 4.23 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other offering materials concerning the Initial Placing and/or any Further Placing or the Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.24 it is acknowledged that neither Fidante Capital nor any of its Affiliates (which, for the avoidance of doubt, in this document includes PSL) nor Kepler Partners or any of its Affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or any Further Placing or providing any advice in relation to the Initial Placing and/or any Further Placing, that participation in the Initial Placing and/or any Further Placing is on the basis that it is not and will not be a client of Fidante Capital or its Affiliates (which, for the avoidance of doubt, in this document includes PSL) or Kepler Partners or its Affiliates and that Fidante Capital, its Affiliates (which, for the avoidance of doubt, in this document includes PSL), Kepler Partners and its Affiliates do not have any duties or responsibilities to a Placee for providing protections afforded to its clients or for providing advice in relation to the Initial Placing and/or any Further Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Share Issuance Agreement;
- 4.25 it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing by each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in the Prospectus and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing and/or any Further Placing in the form provided by Fidante Capital and/or and/or Kepler Partners and/or PSL. It agrees that the provisions of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.26 it irrevocably appoints any director of the Company and any director of Fidante Capital to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Initial Placing and/or the relevant Further Placing, in the event of the failure of it to do so;
- 4.27 it accepts that if the Initial Placing and/or any relevant Further Placing does not proceed or the conditions to the Share Issuance Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to the premium listing segment of the Official List or to trading on the Main Market for any reason whatsoever then neither Fidante Capital nor Kepler Partners nor PSL nor the Company nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives shall have any liability whatsoever to it or any other person;
- 4.28 in connection with its participation in the Initial Placing and/or any Further Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the UK Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (Council Directive No.

91/308/EEC) (the “**Money Laundering Directive**”); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;

- 4.29 it acknowledges that due to Money Laundering Legislation, Fidante Capital, Kepler Partners, PSL, the Company and/or their agents may require proof of identity and verification of the source of the payment before an application to participate in the Initial Placing and/or any Further Placing can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Fidante Capital, Kepler Partners, Kepler Partners, PSL, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Fidante Capital, Kepler Partners, PSL, the Company and/or their agents against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- 4.30 Fidante Capital, the Investment Manager and the Company are entitled to exercise any of their rights under the Share Issuance Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- 4.31 the representations, undertakings and warranties contained in the Prospectus are irrevocable. It acknowledges that Fidante Capital, Kepler Partners, PSL and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or agreements made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify Fidante Capital, Kepler Partners, PSL and the Company;
- 4.32 where it or any person acting on behalf of it is dealing with Fidante Capital and/or Kepler Partners and/or PSL any money held in an account with Fidante Capital and/or Kepler Partners and/or PSL 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 Fidante Capital or Kepler Partners or PSL to segregate such money, as that money will be held by Fidante Capital and/or Kepler Partners and/or PSL under a banking relationship and not as trustee;
- 4.33 any of its clients, whether or not identified to Fidante Capital or Kepler Partners or PSL, will remain its sole responsibility and will not become clients of Fidante Capital or Kepler Partners or PSL or, for the purposes of the rules of the FCA or for the purposes of any statutory or regulatory provision;
- 4.34 it accepts that the allocation of Shares shall be determined by Fidante Capital in its absolute discretion (after consultation with the Company and the Investment Manager) and that such persons may scale back any placing commitments (under the Initial Placing and/or any Further Placing) for this purpose on such basis as they may determine; and
- 4.35 time shall be of the essence as regard its obligations to settle payment for the Shares and to comply with their other obligations under the Initial Placing and/or any Further Placing.

5 SUPPLY AND DISCLOSURE OF INFORMATION

If Fidante Capital, Kepler Partners, PSL, the Registrar or the Company or any of their agents request any information about a Placee’s agreement to purchase Shares under the Initial Placing and/or any Further Placing, such Placee must promptly disclose it to them.

6 MISCELLANEOUS

- 6.1 PSL is acting as receiving agent for Fidante Capital in connection with the Placing and/or any Further Placing and for no-one else and will not treat a Placee or any other person as its customer by virtue of such application being accepted or owe a Placee or any other person any duties or responsibilities concerning the price of Placing Shares or concerning the suitability of Placing Shares for a Placee or for any other person or be responsible to a Placee or to any other person for providing the protections afforded to its customers.

- 6.2 The rights and remedies of Fidante Capital, Kepler Partners, PSL, the Registrar, the Company, the Board and their respective Affiliates under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 6.3 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally to Fidante Capital or Kepler Partners or PSL the jurisdiction in which its funds are managed or owned. All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to Fidante Capital or Kepler Partners or PSL.
- 6.4 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Shares that the Placee has agreed to subscribe pursuant to the Initial Placing and/or any Further Placing have been acquired by the Placee. The contract to subscribe for Shares under the Initial Placing and/or any Further Placing and the appointments and authorities mentioned in the Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Fidante Capital, Kepler Partners, PSL, the Registrar and the Company each Placee irrevocably submits to the exclusive jurisdiction of the courts of England and Wales waives any objection to proceedings in any such courts on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.
- 6.5 In the case of a joint agreement to purchase Shares under the Initial Placing and/or any Further Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 6.6 Fidante Capital, Kepler Partners, PSL and the Company expressly reserve the right to modify the terms of the Initial Placing and/or any Further Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.
- 6.7 The Initial Placing and each Further Placing is subject to the satisfaction of the conditions relating to the Initial Placing or Further Placing, as applicable, contained in the Share Issuance Agreement and the Share Issuance Agreement not having been terminated prior to Admission of the relevant Shares.

PART 6

TERMS AND CONDITIONS OF THE INITIAL OFFER FOR SUBSCRIPTION

The Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme. In the case of a joint application, references to you in these Terms and Conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Application Form.

The Initial Offer for Subscription is only being made in the United Kingdom. If you are outside of the United Kingdom see paragraph 2.7 of this Part 6.

1 INTRODUCTION

Shares are available under the Initial Offer for Subscription at the Initial Issue Price.

Applications must be made on the application form (the “**Application Form**”) attached to this Securities Note or otherwise published by the Company.

2 EFFECT OF APPLICATION

Applications under the Initial Offer for Subscription must be for Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100.

2.1 *Offer to acquire Shares*

By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for such number of Shares at £1.00 per Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum subscription amount of £1,000), or such smaller number for which such application is accepted, on the terms, and subject to the conditions, set out in this Securities Note, including these Terms and Conditions of Application and the Articles in force from time to time;
- (b) agree that, in consideration of the Company agreeing that it will not, prior to the date of Initial Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in this Securities Note, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus by the Company prior to Initial Admission) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Application Form;
- (c) undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Shares applied for in certificated form or be entitled to commence dealing in Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your application under the Initial Offer for Subscription and shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company, and Fidante Capital against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque in your favour at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

- (d) agree, that where on your Application Form a request is made for Shares to be deposited into a CREST account (a “**CREST Account**”), (i) the Receiving Agent may in its absolute discretion issue such Shares in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent, the Company, or Fidante Capital may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST Account in respect of the number of Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- (e) agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1(d) above to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1(d) above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 2.5(a), (b), (f), (h), (m), (n), (o), (p), (q), l or (s) or any other suspected breach of these Terms and Conditions of Application; or
 - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the UK Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (f) agree, on the request of the Receiving Agent to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- (g) agree that if satisfactory evidence of identity is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request, the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- (h) agree that you are not applying on behalf of a person engaged in money laundering;
- (i) undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- (j) undertake to pay interest at the rate described in paragraph 2.2 below if the remittance accompanying your Application Form is not honoured on first presentation;
- (k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or if you have completed Section 2B on your Application Form, but subject to paragraph 2.1(d) above, to deliver the number of Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
- (l) confirm that you have read and complied with paragraph 2.7 below;

- (m) agree that all subscription cheques and payments will be processed through a bank account in the name of “Computershare Investor Services PLC re: AEW UK Long Lease REIT plc – Offer for Subscription A/C” opened by the Receiving Agent;
- (n) agree that your Application Form is addressed to the Company and the Receiving Agent;
- (o) agree that if a fractional entitlement to a Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit;
- (p) acknowledge that the offer to the public of Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Shares); and
- (q) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

2.2 **Acceptance of your offer**

The Receiving Agent under instruction of the Company, may accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected).

The basis of allocation will be determined by the Company in consultation with the Investment Manager and Fidante Capital. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application.

The Receiving Agent will present all cheques and bankers’ drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants’ payments.

The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Payments must be made by cheque or banker’s draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers’ drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers’ drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual applicant where they have sole or joint title to the funds, should be made payable to “Computershare Investor Services PLC re: AEW UK Long Lease REIT plc – Offer for Subscription A/C” and crossed “A/C payee only”. Third party cheques may not be accepted with the exception of building society cheques or bankers’ drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker’s draft to that effect. The account name should be the same as that shown on the Application Form.

For applicants sending subscription monies by electronic bank transfer (CHAPS) payment must be made for value by 5.00 p.m. on 30 May 2017. Please contact Computershare Investor Services PLC by email at OFSPaymentQueries@computershare.co.uk for full bank details or telephone the Shareholder helpline on 0370 707 1874 from within the UK or on +44

(0) 370 707 1874 if calling from outside the UK for further information. Computershare will then provide you with a unique reference number which must be used when sending payment.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to Computershare's participant account 3RA28 by no later than 1.00 p.m. on 2 June 2017, allowing for the delivery and acceptance of Shares to be made against payment of the Initial Issue Price, following the CREST matching criteria set out in the Application Form.

2.3 **Conditions**

The contract created by the acceptance of applications (in whole or in part) under the Initial Offer for Subscription will be conditional upon:

- (a) Initial Admission occurring and becoming effective by 8.00 a.m. (London time) on 6 June 2017 (or such later time and/or date as the Company, the Investment Manager and Fidante Capital may agree); and
- (b) the Share Issuance Agreement becoming otherwise unconditional in all respects in relation to the Initial Issue (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

2.4 **Return of application monies**

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a non-interest bearing separate account.

2.5 **Warranties**

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Initial Offer for Subscription in respect of your application;
- (c) confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus and any supplementary prospectus published by the Company prior to Initial Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus, any such supplementary prospectus, or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the Shares contained therein;

- (e) acknowledge that no person is authorised in connection with the Initial Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and any supplementary prospectus published by the Company prior to Initial Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Fidante Capital or the Receiving Agent;
- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first named holder) as set out in your Application Form;
- (h) confirm that you have reviewed the restrictions contained in paragraph 2.7 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- (i) agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- (j) agree that all applications, acceptances of applications and contracts resulting therefrom under the Initial Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company, Fidante Capital or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Fidante Capital and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- (l) agree to provide the Company with any information which it, Fidante Capital or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including without limitation satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations;
- (m) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Fidante Capital or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Initial Offer for Subscription or your application;
- (n) represent and warrant to the Company that: (i) you are not a U.S. Person, are not located within the United States and are not acquiring the Shares for the account or benefit of a U.S. Person; (ii) you are acquiring the Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons; and (iv) you understand and acknowledge that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act;

- (o) represent and warrant to the Company that if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Shares, you will do so only: (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise; (ii) within the United States in accordance with Rule 144 of the U.S. Securities Act, if available, and in compliance with any applicable securities laws of any state or other jurisdiction in the United States; or (iii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (p) agree that Fidante Capital and the Receiving Agent are acting for the Company in connection with the Initial Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Shares or concerning the suitability of the Shares for you or be responsible to you for the protections afforded to their customers;
- (q) warrant that you are:
 - (i) highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the Shares;
 - (ii) fully understand the risks associated with such investment; and
 - (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- (r) warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Shares;
- (s) warrant that the information contained in the Application Form is true and accurate;
- (t) agree that if you request that Shares are issued to you on a date other than Initial Admission relating to the Initial Issue and such Shares are not issued on such date that the Company, Fidante Capital and their respective agents and the Directors will have no liability to you arising from the issue of such Shares on a different date; and
- (u) confirm that if you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Initial Issue, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for this Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statement therein misleading.

2.6 *Money laundering*

You agree that, in order to ensure compliance with the UK Money Laundering Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of the subscriber(s) (the “**holder(s)**”) as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons.

Any delay or failure to provide the necessary evidence of identity may result in your application being rejected or delays in crediting CREST accounts or in the despatch of documents.

Without prejudice to the generality of this paragraph 2.6, verification of the identity of holders and payors will be required if the value of the Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent). If, in such circumstances, you use a building society cheque or banker's draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp.

If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and the payor an original or a copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of the following which is no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees' risk) together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the UK Money Laundering Regulations a person making an application for Shares will not be considered as forming a business relationship with the Company or the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent. Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Registrar from the applicant that the UK Money Laundering Regulations will not be breached by the application of such remittance.

The person(s) submitting an application for Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000 (or the Sterling equivalent) you should endeavour to have the declaration contained in Section 5 of the Application Form signed by an appropriate firm as described in that Section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (or the Sterling equivalent) then you must provide with the Application Form the identity documentation detailed in Section 6 of the Application Form for each underlying beneficial owner.

If the Application Form is lodged with payment by a regulated financial services firm (being a person or institution) (the "**Firm**") which is located in Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK and the United States, the Firm should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Company (or any of its agents). If the Firm is not such an organisation, it should contact Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH. To confirm the acceptability of any written assurance referred to above, or in any other case, the Applicant should call Computershare Investor Services PLC on 0370 707 1874. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the Initial Offer for Subscription nor give any financial, legal or tax advice.

2.7 Non-United Kingdom investors

If you receive a copy of the Prospectus or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form.

None of the Shares have been or will be registered under the laws of Canada, Japan, Australia, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Shares pursuant to the Initial Offer for Subscription you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a

U.S. Person or a resident of Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States or Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Shares for the account of any U.S. Person or resident of Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S. Person or any person resident in Canada, Japan, Australia or the Republic of South Africa. No Application Form will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, Japan, Australia or the Republic of South Africa.

2.8 *The Data Protection Act 1998*

Pursuant to The Data Protection Act 1998 (the “**DP Act**”) the Company and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present shareholders. Such personal data held is used by the Registrar to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (i) effecting the payment of dividends and other Distributions to Shareholders; and (ii) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to in the paragraph immediately above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, India, Japan, New Zealand, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of Shares a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or the Registrar of any personal data relating to them in the manner described above.

2.9 *Miscellaneous*

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Initial Offer for Subscription.

The rights and remedies of the Company, Fidante Capital and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Initial Offer for Subscription from 5.00 p.m. on 30 May 2017. In that event, the new closing time and/or date will be notified to applicants through a Regulatory Information Service.

The Company may terminate the Initial Offer for Subscription in its absolute discretion at any time prior to Initial Admission. If such right is exercised, the Initial Offer for Subscription will lapse and any monies will be returned as indicated without interest at the risk of the persons entitled thereto.

You agree that Fidante Capital and the Receiving Agent are acting for the Company in connection with the Initial Issue and for no-one else, and that neither Fidante Capital nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Shares or concerning the suitability of the Shares for you or otherwise in relation to the Initial Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used in the Prospectus.

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned to the Receiving Agent, Computershare Investor Services PLC, so as to be received no later than 5.00 p.m. (London time) on 30 May 2017.

HELP DESK: If you have a query concerning completion of this Application Form please call Computershare Investor Services PLC on 0370 707 1874 from within the UK or on +44 (0)370 707 1874 if calling from outside the UK. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Issue nor give any financial, legal or tax advice.

1 APPLICATION

Fill in (in figures) in Box 1 the amount of money being subscribed for Shares. The amount being subscribed must be a minimum of £1,000 and thereafter in multiples of £100. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from any scaling back should this be required or to benefit most favourably from any commission arrangements.

2 HOLDER DETAILS

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Application Form at Section 3.

2B. CREST

If you wish your Shares to be deposited in a CREST Account in the name of the holders given in Section 2A enter in Section 2B the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

3 SIGNATURE

All holders named in Section 2A must sign Section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4 SETTLEMENT

4.1 Cheque/Banker's Draft

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies.

Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner.

Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "Computershare Investor Services PLC re: AEW UK Long Lease REIT plc – Offer for Subscription a/c". Third party

cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the application.

4.2 **Electronic Bank Transfers**

For applicants sending subscription monies by electronic bank transfer (CHAPS) payment must be made for value by 5.00 p.m. on 30 May 2017. Please contact Computershare Investor Services PLC by email at OFSPaymentQueries@computershare.co.uk for full bank details or telephone the Shareholder helpline on 0370 707 1874 from within the UK or on +44 (0) 370 707 1874 if calling from outside the UK for further information. Computershare will then provide you with a unique reference number which must be used when sending payment.

4.3 **CREST Settlement**

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

The Application Form in the Appendix contains details of the information which the Company's registrars, Computershare Investor Services PLC ("**Computershare**"), 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 Computershare to match to your CREST account, Computershare will deliver your Shares in certificated form provided payment has been made in terms satisfactory to the Company.

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

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (i) the person procured by you to subscribe for or acquire the relevant Shares; or (ii) yourself; or (iii) a nominee of any such person or yourself, as the case may be. Neither Computershare nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Computershare, on behalf of the Company, will input a DVP instruction into the CREST system according to the booking instructions provided by you in your Application Form. The input returned by you or your settlement agent/custodian of a matching or acceptance instruction to our CREST input will then allow the delivery of your Shares to your CREST account against payment of the Initial Issue Price per Share through the CREST system upon the Settlement Date.

By returning the Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Shares to be made prior to 8.00 a.m. on 6 June 2017 against payment of the Initial Issue Price per Share. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling plus 2 per cent. per annum.

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

Trade Date: 2 June 2017
Settlement Date: 6 June 2017
Company: AEW UK LONG LEASE REIT plc

Security Description: Ordinary shares of £0.01 each

SEDOL: BDVK708

ISIN: GB00BDVK7088

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 3RA28 by no later than 1.00 p.m. on 2 June 2017.

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

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

5 RELIABLE INTRODUCER DECLARATION

Applications will be subject to the UK's verification of identity requirements. This will involve you providing the verification of identity documents listed in Section 6 of the Application Form UNLESS you can have the declaration provided at Section 5 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in Section 5 of the Application Form completed and signed by a suitable firm.

6 IDENTITY INFORMATION

Applicants need only consider Section 6 of the Application Form if the declaration in Section 5 cannot be completed. Notwithstanding that the declaration in Section 5 has been completed and signed Computershare reserves the right to request of you the identity documents listed in Section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are provided such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

7 CONTACT DETAILS

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person Computershare may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in Section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 5, Computershare will contact the regulated person. If no details are entered here and no regulated person is named in Section 5 and the Computershare requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS – Completed Application Forms should be returned, by post or by hand (during normal business hours only), to the Receiving Agent, Computershare Investor Services PLC so as to be received no later than 5.00 p.m. (London time) on 30 May 2017, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

APPENDIX – APPLICATION FORM

Please send this completed form by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to the Receiving Agent, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to be received by no later than 5.00 p.m. (London time) on 30 May 2017.

The Directors may, with the prior approval of Fidante Capital, alter such date and thereby shorten or lengthen the offer period. In the event that the offer period is altered, the Company will notify investors of such change through a Regulatory Information Service.

Important: Before completing this form, you should read the prospectus dated 17 May 2017 (the “**Prospectus**”) and the Terms and Conditions of Application set out in Part 6 of the Securities Note forming part of the Prospectus and the accompanying notes to this form.

Box 1 (minimum of
£1,000 and in multiples
of £100 thereafter)

£

To: AEW UK LONG LEASE REIT plc and the Receiving Agent

1 APPLICATION

I/We the person(s) detailed in Section 2A below offer to subscribe the amount shown in Box 1 for Shares subject to the Terms and Conditions of the Initial Offer for Subscription set out in the Securities Note forming part of the Prospectus of the Company dated 17 May 2017 and subject to the articles of association of the Company in force from time-to-time.

2A DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED

(BLOCK CAPITALS)

1:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

	Postcode:
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Designation (if any):

2:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

	Postcode:
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Designation (if any):



3:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
	Postcode:	
Designation (if any):		

4:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
	Postcode:	
Designation (if any):		

2B CREST ACCOUNT DETAILS INTO WHICH SHARES ARE TO BE DEPOSITED (IF APPLICABLE)

Only complete this Section if Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 2A.

(BLOCK CAPITALS)

CREST Participant ID:

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CREST Member Account ID:

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3 SIGNATURE(S): ALL HOLDERS MUST SIGN

By completing the signature/execution boxes below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 6 of the Securities Note forming part of the Prospectus (Terms and Conditions of Application) and to have given the warranties, representations and undertakings set out therein.

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

Execution by a Company

Executed by (Name of Company):		Date
Name of Director:	Signature:	Date
Name of Director/Secretary:	Signature:	Date
If you are affixing a company seal, please mark a cross <input type="checkbox"/>	Affix Company Seal here:	

4 SETTLEMENT

Please tick the relevant box confirming your method of payment.

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

If you are subscribing for Shares and paying by cheque or banker's draft, pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1 (being the Initial Issue Price of £1.00 per Share multiplied by the number of Shares you wish to subscribe for) made payable to "Computershare Investor Services PLC re: AEW UK Long Lease REIT plc – Offer for Subscription A/C". Cheques and bankers' payments must be in sterling and drawn on an account at a branch of a clearing bank in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number in the top right hand corner.



(b) **Electronic Bank Transfer**

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 5.00 p.m. on 30 May 2017. Please contact Computershare Investor Services PLC by email at OFSPaymentQueries@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment. Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 5.00 p.m. on 30 May 2017 together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account name:
Account number:	Contact name at branch and telephone number:

(c) **CREST Settlement**

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

Trade Date: 2 June 2017
Settlement Date: 6 June 2017
Company: AEW UK LONG LEASE REIT plc
Security Description: Ordinary shares of £0.01 each
SEDOL: BDVK708
ISIN: GB00BDVK7088

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 3RA28 by no later than 1.00 p.m. on 2 June 2017.

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

5 RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in Section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.

DECLARATION:

To the Company and the Receiving Agent

With reference to the holder(s) detailed in Section 2A, all persons signing at Section 3 and the payor identified in Section 6 if not also a holder (collectively the "subjects") WE HEREBY DECLARE:

- we operate in the United Kingdom, or in a country where money laundering regulations under the laws of that country are, to the best of our knowledge, no less stringent than those which prevail in the United Kingdom and our firm is subject to such regulations;
- we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;

- each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
- we confirm the accuracy of the names and residential business address(es) of the holder(s) given at Section 2A and if a CREST Account is cited at Section 2B that the owner thereof is named in Section 2A;
- having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Shares mentioned; and
- where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed:	Name:	Position:
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Name of regulatory authority:	Firm's licence number:
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Website address or telephone number of regulatory authority:
STAMP of firm giving full name and business address:



6 IDENTITY INFORMATION

If the declaration in Section 5 cannot be signed and the value of your application is greater than €15,000 (or the Sterling equivalent), please enclose with that Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named Applicant.

Holders				Payor

Tick here for documents provided

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

A. For each holder being an individual enclose:

- (1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- (2) an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in Section 2A is that person’s residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

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B. For each holder being a company (a “holder company”) enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company’s principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company’s business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a “beneficiary company”), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4).

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D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

E. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and
- (3) an explanation of the relationship between the payor and the holder(s).

The Receiving Agent reserves the right to ask for additional documents and information.

7 CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in Section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	E-mail address:
Contact address:	
	Postcode:
Telephone No:	Fax No:



PART 7

DEFINITIONS

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

Administrator	Capita Sinclair Henderson Limited
Admission	admission to trading on the Main Market of any Shares becoming effective in accordance with the LSE Admission Standards and admission of any Shares to the premium listing segment of the Official List becoming effective in accordance with the Listing Rules
affiliate or affiliates	an affiliate of, or person affiliated with, a person; a person that, directly or indirectly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
AIFM Directive	the European Union's Alternative Investment Fund Managers directive (No. 2071/61/EU) and all legislation made pursuant thereto, including, where applicable, the applicable implementing legislation and regulations in each member state of the European Union
Application Form	the application form attached to this Securities Note for use in connection with the Initial Offer for Subscription
Articles	the articles of association of the Company
Auditor	KPMG LLP
Business Day	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
Capital gains tax or CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
certificated or in certificated form	not in uncertificated form
Companies Act or Act	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company	AEW UK Long Lease REIT plc
CREST	the settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CREST Member Account ID	the identification code or number attached to any member account in CREST
CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
Depository	Langham Hall UK Depository LLP
Directors or Board	the board of directors of the Company
Disclosure Guidance and Transparency Rules or DTRs	the disclosure guidance rules and transparency rules made by the Financial Conduct Authority under Section 73A of FSMA
Distribution	any dividend or other distribution on or in respect of the Shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made
DP Act	The Data Protection Act 1998
ERISA	U.S. Employee Retirement Income Security Act of 1976, as amended
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST

Excluded Territories	Australia, Canada, Japan and the Republic of South Africa
FCA	the Financial Conduct Authority
Fidante Capital	Fidante Partners Europe Limited (trading as Fidante Capital)
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
Further Placing	a placing (other than the Initial Placing) which is made pursuant to a Placing-Only Issue
Future Securities Note	a securities note to be issued in the future by the Company in respect of each issue (not being a Placing-Only Issue), if any, of Shares (other than pursuant to the Initial Issue) made pursuant to the Registration Document accompanying this Securities Note and subject to separate approval by the FCA
Future Summary	a summary to be issued in the future by the Company in respect of each issue (not being a Placing-Only Issue), if any, of Shares (other than pursuant to the Initial Issue) made pursuant to the Registration Document accompanying this Securities Note and subject to separate approval by the FCA
Group	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010
Gross Proceeds	the gross proceeds of the Initial Issue
HMRC	Her Majesty's Revenue and Customs
IFRS	international financial reporting standards
Initial Admission	admission of the Shares to be issued pursuant to the Initial Issue to trading on the Main Market becoming effective in accordance with the LSE Admission Standards and admission of the Shares to be issued pursuant to the Initial Issue to the premium listing segment of the Official List becoming effective in accordance with the Listing Rules
Initial Issue	together, the Initial Placing and the Initial Offer for Subscription and the Intermediaries Offer
Initial Issue Price	£1.00 per Share
Initial Offer for Subscription	the first offer for subscription of Shares pursuant to the Share Issuance Programme (and forming part of the Initial Issue) which is expected to close on or around 30 May 2017
Initial Placing	the first placing of Shares pursuant to the Share Issuance Programme (and forming part of the Initial Issue) which is expected to close on 31 May 2017
Intermediaries	the entities listed in paragraph 6 of Part 4 of this Securities Note, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Securities Note and "Intermediary" shall mean any one of them
Intermediaries Offer	the offer of Shares by Intermediaries to retail investors
Intermediaries Offer Adviser	Solid Solutions Associates (UK) Limited
Intermediaries Terms and Conditions	the terms and conditions agreed between the Intermediaries Offer Adviser, the Company, the Investment Manager and the Intermediaries in relation to the Intermediaries Offer
Investment Manager	AEW UK Investment Management LLP
ISA	a UK individual savings account
ISIN	International Securities Identification Number

Issue Price	in the case of the Initial Issue, the Initial Issue Price, and in the case of any subsequent issuance under the Share Issuance Programme, the applicable Subsequent Issue Price
Kepler Partners or Distribution Agent	Kepler Partners LLP
Listing Rules	the listing rules made by the UK Listing Authority pursuant to Part VI of the FSMA
London Stock Exchange	London Stock Exchange plc
LSE Admission Standards	the admission and disclosure standards published by the London Stock Exchange on 3 July 2016
Main Market	the London Stock Exchange's main market for listed securities
MAR	the EU Market Abuse Regulation (596/2014/EU)
Minimum Net Proceeds	the minimum net proceeds of the Initial Issue, being £73.5 million (or such lesser amount as the Company and Fidante may determine and notify to investors via an RIS announcement and a supplementary prospectus)
Net Asset Value or NAV	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Asset Value per Share or NAV per Share	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation
Net Proceeds	the aggregate net cash proceeds of the Initial Issue (after deduction of all expenses and commissions relating to the Initial Issue and payable by the Company)
Non-PID Dividend	a distribution by the Company which is not a PID
Official List	the Official List of the UK Listing Authority
Overseas Persons	a potential investor who is not resident in, or who is not a citizen of, the UK
person	includes a body of persons, corporate or unincorporated, wherever domiciled
Placee	a person subscribing for Shares pursuant to the Initial Placing or any Further Placing
Placing-Only Issue	an issue under the Share Issuance Programme which comprises only a placing and does not include an offer for subscription or an open offer component
PID or Property Income Distribution	the distribution by the Company of the profits of the Group's Property Rental Business, including distributions received by the Group from other UK REITs, by way of a dividend in cash or the issue of share capital in lieu of a cash dividend in accordance with Section 530 of the CTA 2010
Premium Listing Principles	the premium listing principles, as set out in the Listing Rules
Property Rental Business	the qualifying property rental business in the UK and elsewhere of UK resident companies within a REIT and non-UK resident companies within a REIT with a UK qualifying property rental business
Prospectus	the prospectus prepared in accordance with the Prospectus Rules comprising this Securities Note, the Registration Document and the Summary, each dated 17 May 2017
Prospectus Directive	the EU Prospectus Directive 2003/71/EC
Prospectus Rules	the prospectus rules made by the Financial Conduct Authority under Section 73A of FSMA

Receiving Agent	Computershare Investor Services PLC, in its capacity as the Company's receiving agent
Register	the register of members of the Company
Registrar	Computershare Investor Services PLC, in its capacity as the Company's registrar
Registration Document	the registration document dated 17 May 2017 issued by the Company in respect of the Shares made available pursuant to the Initial Issue and approved by the FCA
Regulation S	Regulation S promulgated under the U.S. Securities Act
Regulatory Information Service	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
REIT	a Real Estate Investment Trust as defined in Part 12 of the CTA 2010
Relevant Member State	a member state of the European Economic Area which has implemented the Prospectus Directive
Restricted Shares	restricted shares of £1.00 each in the capital of the Company
SDRT	stamp duty reserve tax
Securities Note	this securities note issued by the Company in connection with the Initial Issue and any Further Placing and approved by the FCA
Shareholder	a holder of Shares
Share Issuance Agreement	the share issuance agreement between the Company, the Investment Manager, the Directors and Fidante Capital
Share Issuance Programme	the programme under which the Company intends to issue Shares in Tranches on the terms set out in the Summary and this Securities Note (and any Future Summary and Future Securities Note)
Shares	ordinary shares of £0.01 each in the capital of the Company
SIPP	a self-invested personal pension as defined in Regulation 3 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001
SSAS	a small self-administered scheme as defined in Regulation 2 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991
Sterling or £	the lawful currency of the United Kingdom
Subsequent Intermediaries Offer	any intermediaries offer of Shares pursuant to the Share Issuance Programme following completion of the Initial Issue, as described in this Securities Note
Subsequent Issue Price	in respect of any future issue under the Share Issuance Programme, the applicable price at which the relevant Shares will be issued as determined in accordance with this Securities Note or any Future Securities Note
Subsequent Offer for Subscription	any offer for subscription for Shares pursuant to the Share Issuance Programme following completion of the Initial Issue, as described in this Securities Note
Substantial Shareholder	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under Section 551 of CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such person including, at the date of adoption of the Articles,

	any holder of excessive rights as defined in Section 553 of CTA 2010
Summary	the summary dated 17 May 2017 issued by the Company in respect of Shares made available pursuant to the Initial Issue and any Further Placing
Takeover Code	the UK City Code on Takeovers and Mergers
Terms and Conditions of Application	the terms and conditions of application set out in Part 6 of this Securities Note in connection with the Initial Offer for Subscription
Tranches (each a Tranche)	a tranche of Shares issued under the Share Issuance Programme (including the Initial Issue and any Further Placing)
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
UK Money Laundering Regulations	the UK Money Laundering Regulations 2007, as amended
Underlying Applicants	investors who wish to acquire Shares under the Intermediaries Offer
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States of America, United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Code	U.S. Internal Revenue Code, as amended
U.S. Exchange Act	U.S. Securities Exchange Act of 1934, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Valuer	Knight Frank, in its capacity as the Company's independent valuer

