**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO TRITAX BIG BOX REIT PLC (THE "COMPANY") ON WHICH YOU ARE BEING ASKED TO VOTE. If you are in any doubt about the action you should take, you should immediately contact your stockbroker, accountant or other independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in this document and which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting. Your attention is also drawn to the section entitled "Action to be Taken" on page 12 of this document.

The Proposals described in this document are conditional on Shareholder approval at the Extraordinary General Meeting. Notice of the Extraordinary General Meeting to be held at 10.30 a.m. on Wednesday, 15 April 2015 at Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW for the purpose of considering and, if thought fit, passing the Resolutions, is set out at the end of this document.

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# TRITAX BIG BOX REIT PLC

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

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### to consider recommended proposals to amend the Existing Investment Policy and cancel the share premium account

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Shareholders are requested to complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Registrar, Capita Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.30 a.m. on Monday, 13 April 2015. If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar by no later than 10.30 a.m. on Monday, 13 April 2015.

# CONTENTS


| | | *Page* |
|---|---|---|
| EXPECTED TIMETABLE | | 3 |
| PART 1 | LETTER FROM THE CHAIRMAN | 4 |
| PART 2 | DEFINED TERMS | 14 |
| PART 3 | NEW INVESTMENT POLICY | 16 |
| NOTICE OF EXTRAORDINARY GENERAL MEETING | | 19 |

# EXPECTED TIMETABLE

| | |
|---|---|
| Date of Circular | 24 March 2015 |
| Latest time and date for receipt of Forms of Proxy or transmission of CREST Proxy Instructions (as applicable) | 10.30 a.m. on Monday, 13 April 2015 |
| Extraordinary General Meeting | 10.30 a.m. on Wednesday, 15 April 2015 |
| Results of Extraordinary General Meeting announced | Wednesday, 15 April 2015 |

Note: All times are London times. Times and dates are subject to change.

# PART 1

# LETTER FROM THE CHAIRMAN
# TRITAX BIG BOX REIT PLC

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

*Directors*
Richard Jewson *(Non-executive Chairman)*
Jim Prower *(Non-executive Director)*
Mark Shaw *(Non-executive Director)*
Stephen Smith *(Non-executive Director)*

*Registered Office*
Aberdeen House
South Road
Haywards Heath
West Sussex
RH16 4NG

24 March 2015

Dear Shareholder

**Recommended proposals to amend the Existing Investment Policy and to cancel the Company's share premium account**

**and**

**Notice of Extraordinary General Meeting**

## 1. INTRODUCTION

*Changes to the investment policy*

The Company is seeking the approval of Shareholders for the amendment of the Company's Existing Investment Policy in the form of the New Investment Policy (as set out in Part 3 of this document).

The Existing Investment Policy restricts the Company's maximum exposure to any particular tenant to 20 per cent. of the gross assets of the Company calculated at the time of investment. However, the limit is increased to 30 per cent. for a single tenant in the Portfolio at any one time, provided that tenant is included in the UK FTSE 350 index, or comparable non-UK index.

The Existing Investment Policy also restricts the aggregate maximum exposure to forward-funded assets to 25 per cent. of gross assets, calculated at the time of investment.

Finally the Existing Investment Policy restricts the use of hedging to a single asset.

It is proposed that the Existing Investment Policy is amended so that:

(a) the number of FTSE 350 tenants to which the Company may have a maximum 30 per cent. exposure is increased from one to two;

(b) the aggregate maximum exposure to forward-funded assets of 25 per cent. of gross assets is deleted; and

(c) the restriction on any use of hedging to a single asset is deleted.

*Cancellation of share premium account*

Further to the above, the Company is also seeking the approval of Shareholders to cancel its share premium account (the "**Cancellation**") and thereby create, subject to confirmation by the Court, distributable reserves to support the Company's ability to declare and pay dividends, and make other returns of capital to Shareholders.

*Purpose of this document*

Under the Listing Rules, the Company is required to seek the approval of Shareholders for any material change to its investment policy. Under the Companies Act 2006 (the "Act"), the Company is required to seek the approval of Shareholders in order to cancel its share premium account.

The purpose of this document is to convene the Extraordinary General Meeting and to provide you with details of, and the background to, the Proposals.

Your attention is drawn to the Notice convening the Extraordinary General Meeting to be held at Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW on Wednesday, 15 April 2015 at 10.30 a.m. at which Shareholders will be asked to consider and, if thought fit, approve the Resolutions. A summary of the action you should take is set out in paragraph 6 of this letter and on the Form of Proxy that accompanies this document.

**THE RESOLUTIONS ARE IMPORTANT TO THE COMPANY AND THE BOARD RECOMMENDS THAT YOU VOTE IN FAVOUR OF THEM, AS THEY INTEND TO DO IN RESPECT OF THEIR OWN HOLDINGS.**

## 2. BACKGROUND AND RATIONALE FOR PROPOSED CHANGES TO THE INVESTMENT POLICY

The Listing Rules require an investment fund such as the Company to invest and manage its assets in a way which is consistent with its objective of spreading investment risk. As at 31 December 2014, the portfolio was diversified by asset, tenant and geography as set out below:

***By asset:***

| *Counterparty* | *Location* | *Date of acquisition* | *Proportion of Company's gross assets (%)†* |
|---|---|---|---|
| Morrisons | Sittingbourne | Jun-14 | 15.3% |
| Marks & Spencer | Castle Donington | Dec-13 | 12.6% |
| Next | Doncaster | Jun-14 | 9.1% |
| Sainbury's | Leeds | Dec-13 | 8.0% |
| The Range | Doncaster | Nov-14 | 7.0% |
| Rolls Royce (forward-funded) | Bognor Regis | Sep-14 | 5.2% |
| Tesco | Chesterfield | Mar-14 | 4.4% |
| Tesco | Didcot | Apr-14 | 4.4% |
| DHL | Skelmersdale | Aug-14 | 4.4% |
| K&N | Derby | Dec-14 | 4.2% |
| L'Oreal | Manchester | Dec-14 | 3.8% |
| Tesco | Stakehill | Nov-14 | 3.3% |
| DHL | Langley Mill | Aug-14 | 2.7% |
| Wolseley | Ripon | Aug-14 | 1.8% |
| Non-property assets | | | 13.7% |
| | | | 100.0% |

***By tenant:***

| *Counterparty* | *Proportion of Company's gross assets (%)*† |
|---|---|
| Morrisons | 15.3% |
| Marks & Spencer | 12.6% |
| Tesco | 12.0% |
| Next | 9.1% |
| Sainbury's | 8.0% |
| DHL | 7.2% |
| The Range | 7.0% |
| Rolls Royce | 5.2% |
| K&N | 4.2% |
| L'Oreal | 3.8% |
| Wolseley | 1.8% |
| Non-property assets | 13.7% |
| | 100.0% |

***By geography:***

| | *Proportion of Company's gross assets (%)*† |
|---|---|
| North East | 30.2% |
| North West | 11.5% |
| Midlands | 19.6% |
| South East | 25.0% |
| Non-property assets | 13.7% |
| | 100.0% |

† Source: 31 December 2014 audited financial statements.

(a) *Rationale for increased exposure to FTSE 350 tenants*

The core remit of the Company is to invest in Big Box assets let to strong tenants, typically on long leases, with the objective of providing a secure income stream and capital protection for investors. Due to the scale of these Big Box assets it is often the largest companies operating in the UK economy that are able to enter into leases on such properties. The tenants are most commonly large retailers and supermarket companies which are increasingly looking to e-retail to expand their market share and to diversify their product lines.

This necessarily leads to a natural concentration of tenants which is exacerbated by the consolidation of supermarkets in recent times.

The Company's current exposure to Morrisons, Marks & Spencer, Tesco and Sainsbury's, all of which are FTSE 350 tenants, is approximately 15.3 per cent., 12.6 per cent., 12.0 per cent. and 8.0 per cent. respectively, calculated on a pro forma basis, as noted above.

The Company's pipeline of potential near-to-medium term opportunities currently includes Big Box assets which fall within the core remit of the Company, and which have existing FTSE 350 supermarkets as tenants. Assuming the Company successfully completed on certain of these pipeline assets, the Company's pro forma portfolio could be exposed to two FTSE 350 tenants, each representing more than 20 per cent. of gross assets.

The Board does not consider that exposure to a second FTSE 350 tenant in the manner described above would increase investment risk in any material respect for the following reasons:

- FTSE 350 tenants can normally be assumed to represent strong covenants and therefore lower default risk. Accordingly, the Company believes it can be prudent to allocate more of the portfolio to such tenants;

- the exposure in each case would be to the FTSE 350 company's contractual obligation to the Company in its capacity as a tenant of assets owned by the Company rather than to an investment in these FTSE 350 companies themselves;

- where more than one asset is let to the same tenant, the single asset limit continues to apply to each asset, and the Company will seek to diversify its exposure by investing in units of different sizes and in different locations, to reduce the risk of a tenant default affecting every property. For example, if a solvent tenant was facing financial difficulty the Company would typically be involved in early stage discussions with the tenant to seek to mitigate any loss arising in relation to default on a particular asset by negotiating better terms on another asset let to the same tenant;

- if a tenant enters insolvency proceedings, exposure to different units let to the same tenant can increase the likelihood of certain of those assets forming part of a going concern transfer to a third party purchaser by an administrator, particularly if they are of core importance to the tenant. The Company endeavours to invest in units that support the core strategy of a tenant as this serves to underpin the capital value of the asset and thereby reduces the risk of a lease surrender should the tenant encounter financial difficulties;

- in the event a lease is surrendered on the insolvency of a tenant or a lease is otherwise surrendered by the tenant in breach of its terms, the Company currently believes that it would be able to re-let the affected property swiftly on the basis that its investments are in prime locations, and also because of the continuing occupier demand for Big Box assets in the UK market and the scarcity of supply of such assets. The Company would of course retain the land and building as assets on its balance sheet in such an event; and

- in the event of termination of a lease by a tenant for convenience, the notice period for tenants, either operating a contractual break or at lease expiry is typically between 6 – 12 months, which would provide the Company with time to identify an alternative tenant with no or minimal interruption to rental income.

(b) *Rationale for deleting the aggregate maximum exposure to forward-funded assets*

There is currently significant occupier demand for Big Box assets which is outstripping supply. The supply of logistics properties peaked in 2009, following a spate of speculative development in the run up to the economic downturn. The majority of well-located assets from this supply peak are now occupied, with the last speculative buildings from 2009 taken up in the third quarter of 2014. There is currently almost no speculative development

of Big Boxes in the UK as the size and cost of developing Big Box assets means that such development is rarely initiated without a financially strong tenant providing a long lease commitment up-front. This has further aggravated the prevailing supply/demand imbalance.

From an occupier's perspective, the ongoing shift from the high street to online retail has caused retailers to focus on achieving operational efficiencies. In particular, reliability and speed of delivery can be as important to the consumer as price. Accordingly, the cost of a tenant's fit-out of a building may exceed its construction cost with significant expenditure on automated stock picking, re-stocking, mechanisation and conveyor systems.

As a result of strong occupational demand, limited supply and tenants' bespoke business requirements the Company has seen an upturn in the amount of space acquired through 'design and build' ("**D&B**") where a facility is built to the tenant's specification under an agreement for lease and on a forward-funded basis. This is a trend that the Company believes is set to continue.

The Board considers there to be a number of benefits of investing in forward-funded assets:

- typically the tenant will sign up to a long lease term of between 15 and 30 years, in particular to protect their capital outlay where investment in the fit-out of the building has been significant;
- such tenants are generally considered to be some of the strongest corporate tenants in the UK market; and
- such investments typically benefit from improved terms (including more attractive pricing) compared to built investments with delivery of a new building on completion.

The Board considers that any risk arising from increased exposure to forward-funded assets is materially mitigated by the following:

- the Company typically only acquires the land, subject to an agreement with a developer who would be responsible for delivering the completed Big Box. In advance of this the developer will have signed up a tenant on an agreement for lease such that, upon completion and delivery of the Big Box, the tenant will take up the building and occupy on the basis of the pre-agreed lease;
- Big Boxes are quick to build compared to other property sectors, typically with a construction period of approximately 9 months but the development agreement will usually provide significant tolerance, for example double the expected construction period, in order to cover any potential delays. The Company would only release funds in stages on the basis of architects' certificates, typically with a retention which is only payable following completion;
- all of the professionals involved in constructing the Big Box carry professional indemnity insurance assessed at a suitable level for the project and any significant contractors/sub-contractors provide warranties to repair/replace as necessary and these typically apply for at least 10 years following practical completion;
- the developer will place a contract with a contractor which will have the responsibility of constructing the building. The contractor will be of significant financial standing and agreed by the Company as suitable. The design and

process of the build is planned and overseen by a team of highly experienced professionals including engineers, independent architects, quantity surveyors and monitoring building surveyors (appointed solely to report to the Company and any debt funder of the Company). At all times the building under construction is fully insured;

- the Company will usually seek to agree a form of rent to be paid by the developer during the construction phase, typically at a similar level to the rent under the lease with the tenant, to ensure that the investment is income producing from the outset;

- where the funds are paid out to the developer on completion of contracts, all of the monies required for the development are placed into "locked" bank accounts controlled by the Company's lawyers and released in accordance with the contract. As well as the relevant construction and fit out costs, these monies include any rent free incentive granted to the tenant under the terms of the lease and the developer's profit (which would typically be expected to represent 15 per cent. to 25 per cent. of the cost of the build) all of which is available to cover possible cost increases resulting from increased project costs or delays in completing the building. The contractor is also responsible for covering the cost of any cost escalation or delays to the project, so the Company enjoys double cover. Alternatively, where the Company completes the contracts with the developer and covenants to pay out the construction costs in staged payments, the investment purchase price monies (less the cost of land and accrued initial project costs) remain within the Company and are paid to the developer in agreed stages pursuant to the contract and in line with suitable certificates from the monitoring surveyor and architect; and

- in the event of the developer's insolvency, the Company will typically have the ability to step-in and procure completion of the building and therefore secure completion of the lease to the tenant.

At the time of publication of the Existing Investment Policy, the 25 per cent. exposure limit was believed to be adequate given the market conditions prevailing at that time. However, given the way in which the market has evolved since then, coupled with the increasing number of opportunities the Company is being shown, the Company believes it would be beneficial to maximise its flexibility to invest in forward-funded assets. It is important to note that assets only remain forward-funded during the construction phase and will on practical completion form part of the stock of built assets in the portfolio. In addition, the Company is not undertaking the development activity itself, but providing finance within controlled contractual parameters.

In summary, the removal of the aggregate investment limit in forward-funded investments is intended to enable the Company to secure high quality Big Box assets let to financially strong tenants on attractive yields. The exposure to individual assets and tenants will remain subject to the existing restrictions set out in the investment policy.

(c) *Rationale for deleting the restriction on the use of hedging to a single asset*

As set out in the Existing Investment Policy, the Company may utilise derivatives for efficient portfolio management, in particular engaging in full or partial interest hedging to mitigate the risk of interest rate increases on borrowings. Following the rapid growth of the Company's portfolio since launch, the Board no longer believes it is appropriate to restrict the Company's ability to hedge on a single asset basis, in particular where it may be able

to put in place hedging over a broader selection of the portfolio in a more cost effective manner.

The New Investment Policy is set out in Part 3 of this document, on pages 16 to 18 (inclusive), with the proposed amendments shown by blacklining.

If Resolution 1 is passed, Shareholders' prior approval by ordinary resolution would be required for any material future changes to the Company's investment policy including the investment restrictions.

## 3. RATIONALE FOR THE CANCELLATION

The Board considers that it is important that the Company has the flexibility to pay dividends and make other returns of capital to Shareholders when the Board considers it appropriate and desirable to do so, having regard to the circumstances at the time. Specifically, the proposal regarding the Cancellation will remove the restrictions set out below.

The Act restricts the circumstances in which a company may pay dividends or return funds to its shareholders. In particular, the Act provides that a public company may only pay dividends on its shares out of its accumulated distributable reserves. The Company's capital reserves including its share premium account are non-distributable reserves. However, the Act does permit the Company (subject to the approval of Shareholders and the confirmation of the Court) to cancel its share premium account and to credit the resulting sums to the Company's profit and loss account.

In order to create distributable reserves, the Company is proposing to cancel the prevailing balance on its share premium account.

The Cancellation requires the passing of resolution 2 as a special resolution of the Company at the Extraordinary General Meeting and the subsequent approval of the Court. If the Cancellation is approved by Shareholders at the Extraordinary General Meeting, the Company intends, as soon as practicable thereafter, to apply to the Court for confirmation of the Cancellation in accordance with the requirements of the Act.

In order to approve the proposed Cancellation, the Court will need to be satisfied that the interests of the creditors of the Company are not prejudiced as a result of the Cancellation. In seeking the confirmation of the Court, the Company may be required by the Court to give such undertakings or other form of protection as the Court may require for the protection of creditors. These may include seeking the consent of the creditors to the reduction of the share premium account and/or the provision by the Company to the Court of an undertaking to treat the reserve arising on the reduction of the share premium account (after the elimination of the deficit on the Company's profit and loss account) as non-distributable until all the creditors at the time of the Reduction have been discharged or have consented to the reserve being distributable or until the Company has deposited a sum of money into a blocked account sufficient to discharge the claims of non-consenting creditors. However, the terms upon which the Court is willing to confirm the Cancellation are, ultimately, for the Court to determine and the Company will give to the Court such undertakings as it is advised are appropriate.

If the consent of the Court is granted, the confirmation will take the form of a Court order and the Cancellation will become effective upon the order confirming the Cancellation being registered at Companies House but, for so long as any reserves remain non-distributable pursuant to any undertakings to the Court referred to above, those reserves may not be distributed pending the discharge of any such undertakings.

If approved by Shareholders and confirmed by the Court, the Cancellation will not involve any distribution to Shareholders but will be added to the Company's profit and loss account, and will support the Company's ability to make distributions to Shareholders should future circumstances make it desirable to do so. Any dividend that may be paid in the future will reduce the Company's cash balances and reduce its net assets by a corresponding amount. The Cancellation will not change the number of Ordinary Shares in issue or the paid up share capital of the Company or change any rights attaching to the Ordinary Shares.

## 4. RISK FACTORS

4.1 *Changes to the investment policy*

Risk of increasing individual tenant exposure

There is a risk that a downturn in business, bankruptcy or insolvency could force a major tenant to default on its rental obligations and/or vacate the premises. Such a default could result in a loss of rental income, void costs, an increase in bad debts and decrease the value of the relevant property.

Risk of increasing forward-funded exposure

Forward-funded projects are subject to the risk of the developer defaulting, which could result in the tenant terminating the agreement for lease. In the event of the developer's default, the Company would typically have the right to step into the agreement for lease and procure the completion of the Big Box and therefore secure completion of the lease. Doing so could result in additional costs being incurred by the Company.

Risk of removing hedging restriction

Hedging arrangements expose the Company to credit risk in respect of the hedging counterparty. Removing the single asset hedging restriction may result in increased exposure to a hedging counterparty.

Risk of the proposed amendments to the investment policy not being approved

The Board believes that the Company can still deliver on its investment objectives under the Existing Investment Policy. However, if the proposed amendments to the Existing Investment Policy are not approved by Shareholders:

- the current restrictions on the Company's maximum permitted exposure to FTSE 350 tenants and to forward-funding investments may result in the Company being denied opportunities to invest in Big Box assets with tenants with strong covenants which are (or will become once constructed) high quality assets; and
- by restricting hedging to a single asset, the Company may not be able to take advantage of more cost efficient ways of hedging the Company's portfolio by hedging against a broader selection of its portfolio assets.

4.2 *Cancellation of the share premium account*

Set out below are certain risk factors in relation to the Cancellation:

(a) the Company's equity base and/or cash reserves will be reduced if, following the Cancellation, the Company makes a purchase of its own Ordinary Shares or pays a dividend;

(b) as a result of a purchase of the Company's own Ordinary Shares or the payment of a dividend, the Company will have lower net assets than would otherwise have been the case. This may adversely affect the Company's creditworthiness; and

(c) the reduction in the Company's cash balances, as a result of a purchase of the Company's own Ordinary Shares or the payment of a dividend, would reduce the interest earned on such balances which may increase the losses/decrease the profits generated by the Company.

## 5. EXTRAORDINARY GENERAL MEETING

The Proposals are subject to Shareholder approval. A notice convening the Extraordinary General Meeting to be held at 10.30 a.m. on Wednesday, 15 April 2015 at Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW is set out at the end of this document. A Form of Proxy to be used in connection with the Extraordinary General Meeting is enclosed.

At this Extraordinary General Meeting:

(a) an ordinary resolution (which requires a majority of those Shareholders voting to vote in favour in order to be passed) will be proposed to give effect to the changes to the Existing Investment Policy; and

(b) a special resolution (which requires a majority of not less than 75 per cent. of those Shareholder voting to vote in in favour in order to be passed) will be proposed to action the Cancellation.

Please note that this is not the full text of the Resolutions and you should read this summary in conjunction with the Resolutions set out in the Notice on page 19 of this document.

## 6. ACTION TO BE TAKEN

6.1 *Voting at the Extraordinary General Meeting*

You will find enclosed with this document a Form of Proxy for use in connection with the Extraordinary General Meeting. Whether or not you intend to be present in person at the Extraordinary General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Registrar, Capita Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.30 a.m. on Monday, 13 April 2015.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar (under CREST participant ID RA10) by no later than 10.30 a.m. on Monday, 13 April 2015. CREST members may choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the Form of Proxy and the Notice of Extraordinary General Meeting.

Unless the Form of Proxy or CREST Proxy Instruction (as applicable) is received by the relevant date and time specified above, it will be invalid. Completion and return of the Form of Proxy or the submission of a CREST Proxy Instruction will not preclude you from attending and voting in person at the Extraordinary General Meeting if you wish to do so.

## 7. RECOMMENDATION

The Board considers that the Proposals are in the best interests of the Shareholders as a whole and recommends that Shareholders vote in favour of the Proposals to be proposed at the Extraordinary General Meeting, as the Directors intend to do in respect of their own beneficial holdings, which amount in aggregate to 302,021 Ordinary Shares and represent approximately 0.05 per cent. of the Company's issued share capital as at 23 March 2015 (being the latest practicable date prior to the publication of this document).

Yours faithfully

**Richard Jewson**
*Chairman*

# PART 2

## DEFINED TERMS

| | |
|---|---|
| "**Act**" | Companies Act 2006; |
| "**Board**" | the directors of the Company from time to time; |
| "**Cancellation**" | the cancellation of the Company's share premium account; |
| "**Capita**" or "**Capita Asset Services**" | a trading name of Capita Registrars Limited (company number 2605568); |
| "**Company**" | Tritax Big Box REIT plc (company number 8215888); |
| "**Court**" | the High Court of Justice of England and Wales; |
| "**CREST**" | the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form; |
| "**CREST Manual**" | the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms; |
| "**Crest Proxy Instruction**" | allowing holders of Ordinary Shares in uncertificated form (that is, in CREST) to appoint a proxy by completing and transmitting a CREST Proxy Instruction; |
| "**D&B**" | 'design and build'; |
| "**Directors**" | the directors of the Company as of the date of this document, being Richard Jewson, Jim Prower, Mark Shaw and Stephen Smith; |
| "**Euroclear**" | Euroclear UK & Ireland Limited, being the operator of CREST; |
| "**Extraordinary General Meeting**" | the general meeting of the Company to be held at 10.30 a.m. on Wednesday, 15 April 2015 at Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW; |
| "**FCA**" | the United Kingdom Financial Conduct Authority (or any successor entity or entities) and, where applicable, the entity acting as the competent authority for the purposes of Admission; |
| "**Form of Proxy**" | form of proxy accompanying the letter from the Chairman to be used in connection with the Extraordinary General Meeting; |
| "**FSMA**" | the Financial Services and Markets Act 2000, as amended from time to time; |

| | |
|---|---|
| “**Existing Investment Policy**” | the investment policy of the Company as detailed in the Registration Document; |
| “**Listing Rules**” | the listing rules made by the UK Listing Authority under section 73A of the FSMA; |
| “**London Stock Exchange**” | London Stock Exchange plc; |
| “**Manager**” | Tritax Management LLP (partnership number OC326500); |
| “**New Investment Policy**” | the proposed investment policy for the Company as set out at Part 3 of this document; |
| “**Notice**” or “**Notice of Extraordinary General Meeting**” | the notice convening the Extraordinary General Meeting to be held at 10.30 a.m. on Wednesday, 15 April 2015 at Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW; |
| “**Official List**” | the official list maintained by the FCA; |
| “**Ordinary Shares**” | ordinary shares of £0.01 each in the capital of the Company; |
| “**Portfolio**” | the investment portfolio of the Company, as set out in the Registration Document; |
| “**Proposals**” | the proposals contained in this Circular to amend the Existing Investment Policy and to cancel the Company’s share premium account; |
| “**Registrar**” | Capita Asset Services, in its capacity as the Company’s registrar, pursuant to the Registrar Agreement; |
| “**Registration Document**” | the registration document approved by the FCA and issued by the Company on 8 July 2014; |
| “**Registrar Agreement**” | the registrar agreement dated 18 November 2013 between the Company and the Registrar; |
| “**Resolutions**” | resolutions to be proposed at the Extraordinary General Meeting; |
| “**Resolution 1**” | the resolution to be proposed at the Extraordinary General Meeting authorising the Directors to amend the Existing Investment Policy; |
| “**Shareholders**” | the holders of Ordinary Shares; |
| “**sq. ft.**” | square foot; |
| “**United Kingdom**” or “**UK**” | the United Kingdom of Great Britain and Northern Ireland; and |
| “**United States**” or “**US**” | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction. |

# PART 3

# NEW INVESTMENT POLICY

Assuming that the Resolution 1 is passed at the Extraordinary General Meeting, the Company's New Investment Policy will be as follows (with the proposed changes described in Part 1 indicated by blacklining):

**INVESTMENT POLICY**

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

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

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

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

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

The Manager will utilise its extensive contacts in the UK real estate market to source investment opportunities, in particular through access to contacts such as banks, institutions, property companies, REITs and historical relationships in addition to an existing network of investment agency contacts.

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

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

1.1 *Gearing*

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

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

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

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

1.2 *Use of derivatives*

The Company may utilise derivatives for efficient portfolio management. In particular, the Company may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases on borrowings incurred in accordance with paragraph 1.1 above as part of the Company's portfolio management. ~~Any use of hedging will be restricted to a single asset, and will not affect any other asset.~~

1.3 *Investment restrictions*

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

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

interim or annual financial statements), the maximum limit for any single asset will be 25 per cent. of gross assets (calculated at the time of investment) in order to facilitate the ownership of certain larger Big Box assets which have either already been acquired or which may be acquired during the Company's initial growth period;

- ~~the aggregate maximum exposure to forward funded assets will be limited to 25 per cent. of gross assets, calculated at the time of investment;~~

- the maximum exposure to any tenant or developer will be limited to 20 per cent. of gross assets calculated at the time of investment. However, from time to time, the Company may have a greater exposure to two particular tenants in the Portfolio where such tenant is, or whose parent company is, at the time of investment, included in the FTSE 350 or within the top 350 companies included in any non-UK index which is, in the reasonable opinion of the Board, comparable to the FTSE 350 ("**FTSE Tenant**"). The maximum exposure to any such FTSE Tenant, which will be limited to ~~one~~ two FTSE Tenants in the Portfolio at any time, will be 30 per cent. of gross assets calculated at the time of investment;

- the Company will only invest in leased or pre-leased assets and will not invest in speculative developments;

- the Company will not invest in closed-ended investment companies;

- the Company will only invest in assets with Institutional-Grade Tenants;

- the Company will only invest in assets with leases with regular upward-only rent reviews; and

- all property assets will be located in the UK.

1.4 *Other*

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

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

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

# NOTICE OF EXTRAORDINARY GENERAL MEETING

# TRITAX BIG BOX REIT PLC

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

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Tritax Big Box REIT plc (the "**Company**") will be held at 10.30 a.m. on Wednesday, 15 April 2015 at Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW to consider and, if thought fit, pass the following resolutions. Resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

### ORDINARY RESOLUTION

1. **THAT** the investment policy of the Company produced to the meeting and initialed by the Chairman for the purpose of identification be adopted as the investment policy of the Company in substitution for, and to the exclusion of, the existing investment policy.

### SPECIAL RESOLUTION

2. **THAT**, subject to the confirmation of the court, the share premium account of the Company be cancelled.

**By order of the Board** **Dated 24 March 2015**

*Director*

**Notes:**

1. A form of appointment of proxy (the Form of Proxy) is enclosed with this notice. A Shareholder entitled to attend, speak and vote is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote at the Extraordinary General Meeting. A proxy need not be a Shareholder. If you wish to appoint a person other than the Chairman of the Extraordinary General Meeting, please insert the name of your chosen proxy holder in the space provided on the enclosed Form of Proxy.
2. On a vote by show of hands, every Shareholder who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every Shareholder who is present in person or by way of a proxy has one vote for every Ordinary Share of which he/she is a holder. The "Vote Withheld" option on the proxy form is provided to enable you to abstain on any particular resolution. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
3. In the case of joint holders, such persons shall not have the right to vote individually in respect of an Ordinary Share but shall elect one of their number to represent them and vote in person or by proxy in their name. In default of such an election, the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Ordinary Share. To appoint more than one proxy you may photocopy the enclosed Form of Proxy. Please indicate the proxy holder's name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Ordinary Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions given by you. All hard copy Form of Proxies must be signed and should be returned together in the same envelope.
5. In order to be valid a Form of Proxy must be returned by one of the following methods:
   (a) in hard copy form by post, by courier or by hand to the Company's registrar, Capita Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or
   (b) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

   and in each case, the Form of Proxy must be received not less than 48 hours before the time for holding of the Extraordinary General Meeting. In calculating such 48-hour period, no account shall be taken of any part of a day that is not a business day. A Shareholder that appoints a person to act on its behalf under any power of

attorney or other authority and wishes to use method (a) or (b) must return such power of attorney or other authority to Capita Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU prior to using such method and in any event not less than 48 hours before the time of the Extraordinary General Meeting.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notification to the Company and the FCA. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the FCA.
8. In order for a Form of Proxy, or instruction, made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the Form of Proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent by the latest time(s) for receipt of Form of Proxies specified in the Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001. CREST members and where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. In the case of a Shareholder which is a company, a hard copy Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
10. Any corporation which is a Shareholder may by a resolution of its directors or other governing body authorise such persons as it thinks fit to act as its representative at the Extraordinary General Meeting or to approve a resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he or she represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Shareholder.
11. Completion and return of the Form of Proxy will not preclude a holder of Ordinary Shares from subsequently attending, speaking and voting in person at the Extraordinary General Meeting should they so wish.
12. If you submit more than one valid Form of Proxy, the Form of Proxy received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which Form of Proxy was last validly received, none of them shall be treated as valid in respect of the same.
13. To have the right to attend, speak and to vote at the Extraordinary General Meeting (and also for the purpose of how many votes a holder of Ordinary Shares casts), a holder of Ordinary Shares must first have his or her name entered in the register of holders of Ordinary Shares by no later than 5.30 p.m. on Monday, 13 April 2015. Changes to entries on the register of holders of Ordinary Shares after that time shall be disregarded in determining the right of any holder of Ordinary Shares to attend and vote at the Extraordinary General Meeting.
14. To allow effective constitution of the Extraordinary General Meeting, if it is apparent to the Chairman of the Extraordinary General Meeting that no Shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Shareholder, provided that such substitute shall vote on the same basis as the Chairman.
15. The Notice of Extraordinary General Meeting will be available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's registered office and the offices of Taylor Wessing LLP at 5 New Street Square, London EC4A 3TW from the date of the Notice until the conclusion of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting for at least 15 minutes prior to, and during, the Extraordinary General Meeting.

16. As at 23 March 2015 (being the latest practicable date prior to the publication of this notice), 629,761,686 Ordinary Shares were in issue (no Ordinary Shares were held in treasury). Accordingly, the total number of voting rights of the Company as at 23 March 2015 was 629,761,686.
17. Defined terms used but not defined in this notice shall have the same meaning given to them in the circular of the Company dated 24 March 2015.