

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

If you have sold or transferred all of your Ordinary Shares in Tritax Big Box REIT plc, you should pass this document, together with the accompanying form of proxy, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.



TRITAX BIG BOX REIT PLC NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting which has been convened for Wednesday, 11 May 2016 at 10.00 am at 5 New Street Square, London EC4A 3TW is set out on pages 3, 4, 5 and 6 of this document.

To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's Registrars, Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting.

TRITAX BIG BOX REIT PLC

(incorporated and registered in England and Wales under number 08215888)

Registered Office:

Standbrook House
Fourth Floor
2-5 Old Bond Street
London
England
W1S 4PD

7 April 2016

To the holders of Tritax Big Box REIT plc Shares

Dear Shareholder

Notice of Annual General Meeting

I am pleased to be writing to you with details of our Annual General Meeting (“AGM”) which we are holding at 5 New Street Square, London EC4A 3TW on Wednesday, 11 May 2016 at 10.00 am. The formal notice of Annual General Meeting is set out on pages 3, 4, 5 and 6 of this document.

If you would like to vote on the Resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this notice and return it to our Registrars as soon as possible. They must receive it by 10.00 am on Monday, 9 May 2016.

Recommendation

The Board considers that all the Resolutions to be put to the meeting are in the best interests of the Company and its Shareholders as a whole and are most likely to promote the success of the Company for the benefit of its Shareholders as a whole. The Directors unanimously recommend that you vote in favour of the proposed Resolutions as they intend to do in respect of their own beneficial holdings.

Yours sincerely,

Richard Jewson

Chairman

Company number: 08215888

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tritax Big Box REIT plc (the “Company”) will be held at 5 New Street Square, London EC4A 3TW on Wednesday, 11 May 2016 at 10.00 am for the following purposes.

You will be asked to consider and, if thought fit, pass the following Resolutions. Resolutions 1-10 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 11-13 (inclusive) will be proposed as Special Resolutions.

1. To receive and adopt the financial statements of the Company for the financial year ended 31 December 2015 and the reports of the Directors and Auditors on those financial statements.
2. To receive, adopt and approve the Directors’ Remuneration Report (other than the part containing the Directors’ remuneration policy) contained within the financial statements of the Company for the financial year ended 31 December 2015.
3. To re-elect Jim Prower, who retires by rotation and offers himself for re-appointment by general meeting, as a Director of the Company.
4. To re-elect Mark Shaw, who retires by rotation and offers himself for re-appointment by general meeting, as a Director of the Company.
5. To re-elect Stephen Smith who retires by rotation and offers himself for re-appointment by general meeting, as a Director of the Company.
6. To re-elect Richard Jewson who retires by rotation and offers himself for re-appointment by general meeting, as a Director of the Company.
7. To re-elect BDO LLP as Auditors of the Company.
8. To authorise the Directors to determine the Auditors’ remuneration.
9. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to:
 - (a) allot Shares in the Company and grant rights to subscribe for or convert any security into Shares in the Company up to an aggregate nominal amount of £2,797,101; and
 - (b) allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £5,594,203 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this Resolution 9) in connection with an offer by way of a rights issue to:
 - (i) the holders of Ordinary Shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and
 - (ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors of the Company otherwise consider necessary,

and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

These authorities shall apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority), and shall expire at the end of the next Annual General Meeting of the Company or, if earlier, 15 months after the date of this Resolution, save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights granted to subscribe for or convert any security into shares after such expiry and the Directors may allot shares or grant such rights in pursuance of any such offer or agreement as if the power and authority conferred by this Resolution had not expired.

NOTICE OF ANNUAL GENERAL MEETING

10. To adopt the investment policy of the Company in the form appended to this notice as the investment policy of the Company in substitution for, and to the exclusion of, the existing investment policy.

11. That, subject to the passing of Resolution 9 above, the Directors be generally and unconditionally empowered for the purposes of section 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) for cash:

(a) pursuant to the authority conferred by Resolution 9 above; or

(b) where the allotment constitutes an allotment by virtue of section 560(3) of the Act,

in each case as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

(i) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph (b) of Resolution 9, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:

(A) the holders of Ordinary Shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and

(B) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors of the Company otherwise consider necessary,

and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury Shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(ii) the allotment of equity securities, other than pursuant to paragraph (i) above of this Resolution, up to an aggregate nominal amount of £839,130.

This power shall (unless previously renewed, varied or revoked by the Company in general meeting) expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Resolution or, if

earlier, on the date 15 months after the passing of such Resolution, save that the Company may before the expiry of this power make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred by this Resolution had not expired.

12. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the "Act") to make market purchases (as defined in section 693(4) of the Act) of Ordinary Shares of £0.01 each in the capital of the Company ("Ordinary Shares") in such manner and on such terms as the Directors of the Company may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 729 of the Act, including for the purpose of its employee share schemes, provided that:

(a) the maximum number of Ordinary Shares which may be purchased is 125,869,561;

(b) the minimum purchase price which may be paid for any Ordinary Share is 0.01 pence (exclusive of expenses);

(c) the maximum purchase price which may be paid for any Ordinary Share shall not be more than the higher of (in each case exclusive of expenses):

(i) 5% above the average middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and

(ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out; and

this authority shall take effect on the date of passing of this Resolution and shall (unless previously revoked, renewed or varied) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or, if earlier, 15 months after the date of passing of this Resolution, save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

13. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

**Tritax Management LLP
Company Secretary**

Registered Office:
Standbrook House
Fourth Floor
2-5 Old Bond Street
London
W1S 4PD

Registered in England and Wales No. 08215888

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any Resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita on 0871 664 0300. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 13 below.
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.00 am on Monday, 9 May 2016, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 13(a) opposite) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
5. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular Resolution, however, it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a Resolution.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
7. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
8. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 5.30 pm on Monday, 9 May 2016 (or, in the event of any adjournment, 5:30 pm on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information or (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
12. As at 6 April 2016 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 839,130,411 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 6 April 2016 are 839,130,411.

- 13.** CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting 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. Please note the following.
- (a) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 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 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.
- (c) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 14.** Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not so in relation to the same shares.
- 15.** Copies of the letters of appointment of the Non-Executive Directors will be available for inspection during normal business hours at 5 New Street Square, London EC4A 3TW from 7 April 2016 (Saturdays, Sundays and public holidays excepted) until the time the end of the AGM.
- 16.** A copy of this notice, and other information required by section 311A of the Companies Act 2006 can be found at www.tritaxbigbox.co.uk.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes

The notes on the following pages give an explanation of the proposed Resolutions.

Resolutions 1-10 (inclusive) are proposed as Ordinary Resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast must be in favour of the Resolution. Resolutions 11-13 (inclusive) are proposed as Special Resolutions. This means that for each of those Resolutions to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

Report and Accounts (Resolution 1)

The Directors of the Company must present the accounts to the meeting.

Directors' Remuneration Report: implementation report (Resolution 2)

In line with legislation, this vote will be advisory. You can find the Directors' Remuneration Report on pages 66-67 of the Company's Annual Report.

Re-election of Directors (Resolutions 3-6)

The Directors are committed to measures that promote good corporate governance. In line with the AIC Code of Corporate Governance (the "Code"), each of the directors will be submitting themselves for re-election at this year's meeting, and at each subsequent Annual General Meeting of the Company for such time as the Code requires.

Consequently, Resolutions 3-6 will be proposed in order to require all of the Directors to retire from office at the conclusion of the 2016 Annual General Meeting and, being eligible, offer themselves for re-election. Short biographical details of all of the Directors who are proposed for re-election are set out on pages 54-55 of the Company's Annual Report. The Board is satisfied that each of the Directors standing for re-election continues to perform effectively and demonstrates commitment to their respective roles.

Reappointment and remuneration of Auditors (Resolutions 7 and 8)

Resolution 7 proposes the reappointment of BDO LLP as Auditors of the Company and Resolution 8 authorises the Directors to set their remuneration.

Directors' authority to allot shares (Resolution 9)

The purpose of Resolution 9 is to renew the Directors' authority to allot shares.

The authority in paragraph (a) will allow the Directors to allot new shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to a nominal value of £2,797,101 (279,710,137 Ordinary Shares),

which is equivalent to approximately one third of the total issued Ordinary Share capital of the Company as at 7 April 2016. There is no present intention of exercising this general authority.

The authority in paragraph (b) will allow the Directors to allot new shares or to grant rights to subscribe for or convert any security into shares in the Company only in connection with a pre-emptive rights issue up to an aggregate nominal value of £5,594,203 (559,420,274 Ordinary Shares), which is approximately two-thirds of the Company's issued share capital as at 7 April 2016 (inclusive of the nominal value of £2,797,101 sought under paragraph (a) of the resolution). This is in line with corporate governance guidelines. There is no present intention to exercise this authority.

As at 7 April 2016, the Company did not hold any shares in treasury.

If the Resolution is passed, the authority will expire on the earlier of 10 August 2017 (the date which is 15 months after the date of the Resolution and the end of next Annual General Meeting of the Company in 2017).

Proposed amendment to the Investment Policy (Resolution 10)

The Company proposes to acquire land or options over land with the intention of subsequently entering into a forward funded agreement with a developer and/or a prospective tenant for the construction of a Big Box asset pre-let to an acceptable counterparty. This will allow the Company to enter into earlier-stage discussions with developers and prospective tenants thereby minimising competition with other investment buyers and potentially enhancing returns to Shareholders. Such investments may be made directly by the Company or on a joint basis with a developer or existing/prospective tenant and in certain circumstances may result in the receipt of income by the Company on land acquired prior to any pre-let development being undertaken.

The Company is, therefore, seeking to amend the Company's existing investment policy to extend its ability to invest in forward funded, pre-let assets through the acquisition of land or options over land.

For the avoidance of doubt:

- The Company will not develop a Big Box speculatively (i.e. without a pre-let arrangement in place);
- The maximum exposure to land and options over land will be limited to 10% of net asset value of the Company calculated at the time of the relevant investment, with such exposure expected to be spread across several sites; and
- The Company will not undertake the direct development or construction of a Big Box.

Under the Listing Rules made by the UK Listing Authority under section 73A of the Financial Services and Markets Act 2000, the

Company is required to seek the approval of the Shareholders for any material change to its investment policy. The amended investment policy is appended to this notice.

Disapplication of pre-emption rights (Resolution 11)

If the Directors wish to allot new shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) company law requires that these shares are first offered to existing Shareholders in proportion to their existing holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of Ordinary Shares without a pre-emptive offer to existing Shareholders. This cannot be done unless the Shareholders have first waived their pre-emption rights.

Resolution 11 asks the Shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the issue of shares for cash up to a maximum number of 83,913,041 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which is equivalent to approximately 10% of the Company's issued Ordinary Share capital as at 7 April 2016.

The Company undertakes that Ordinary Shares will only be issued pursuant to these authorities at a premium to the prevailing Net Asset Value at the time of issue in order to take account of the costs of such issue and will therefore be non-dilutive to the prevailing Net Asset Value for existing Shareholders.

Shareholders will note that this resolution also relates to treasury shares and will be proposed as a special resolution.

This Resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas Shareholders. If given, the authority will expire at the conclusion of the next Annual General Meeting of the Company in 2017 or, if earlier, 10 August 2017 (the date which is 15 months after the passing of the Resolution).

Authority to purchase own shares (Resolution 12)

In certain circumstances, it may be advantageous for the Company to purchase its own shares and Resolution 12 seeks the authority from Shareholders to continue to do so. The Directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interests of Shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority.

Any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly, save that the Company may hold in treasury any of its own shares that it purchases pursuant to the Act and the authority conferred by this Resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

The Resolution specifies the maximum number of Ordinary Shares that may be acquired (approximately 15% of the Company's issued Ordinary Share capital as at 7 April 2016) and the maximum and minimum prices at which they may be bought.

There are no warrants or options to subscribe for Ordinary Shares outstanding at 7 April 2016.

Resolution 12 will be proposed as a Special Resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next Annual General Meeting of the Company in 2017 or, if earlier, 10 August 2017 (the date which is 15 months after the date of passing of the Resolution).

The Directors intend to seek renewal of this power at subsequent Annual General Meetings.

General meetings: length of notice (Resolution 13)

The Act requires the Company to give at least 21 clear days' notice for a general meeting of the Company (other than Annual General Meetings) to 21 days from 14 days, unless the Company:

- (a) has gained Shareholder approval for the holding of general meetings on 14 clear days' notice by passing a Special Resolution at the most recent AGM; and
- (b) offers the facility for all Shareholders to vote by electronic means.

The Company would like to preserve its ability to call general meetings (other than an AGM) on less than 21 clear days' notice. Resolution 13 seeks such approval. It is intended that this shorter notice period would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of Shareholders as a whole. Should this Resolution be approved it will be valid until the end of the next AGM in 2017 (when it is intended that a similar Resolution will be proposed) or on 10 August 2017, whichever is sooner. This is the same authority that was sought and granted at last year's AGM.

NOTICE OF ANNUAL GENERAL MEETING

Schedule

Assuming that Resolution 10 is passed at the AGM, the Company's new investment policy will be as follows (with the proposed changes shown underlined below and described in the explanatory notes on page 8 of the AGM Notice):

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

- the strength of the tenant's financial covenant;
- the 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 basis of rent review and potential for growth in passing rent; and
- the property characteristics, including location, building quality, scale, transportation links, workforce availability and operational efficiencies.

The Company intends to deliver potential additional income and capital growth from 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 a high quality and growing rental income, which is expected to contribute to capital appreciation.

Save for investments in land and options over land as described below, the Company will only invest in assets with leases containing regular upward-only rental reviews. These reviews typically either link the growth in rents to an inflation index such as RPI (potentially with a minimum and maximum level) or, alternatively, may have a fixed annual growth rate or be linked to market rate (which is in turn influenced by economic inflation). 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. Some leases, however, can provide for annual rental increases. In this way, the income delivered to Shareholders should exhibit inflation-linked income characteristics.

The Company will neither undertake any direct development activity nor assume direct development risk. However, the Company may from time to time seek to invest in assets which are either ready for, or in the course of, construction provided they are pre-let to an acceptable counterparty. These are usually known as forward-funded investments/developments.

In such circumstances, the Company will typically seek to negotiate the receipt of immediate income from the asset, such that the developer is paying the Company a return on its investment during the construction phase and prior to the tenant commencing rental payments under the terms of the lease. Furthermore, the Company may also invest in land and options over land with the intention of subsequently entering into a forward funded agreement with a developer and/or an existing/prospective tenant for the construction of a Big Box asset pre-let to an acceptable counterparty as described above. 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 than could be delivered from purely targeting built assets. Further, this form of acquisition allows the Company to target more off-market opportunities while investment in land and options over land will allow the Company to enter into earlier-stage discussions with developers and prospective tenants thereby minimising competition with other investment buyers. These pre-let assets also generally have the benefit of new leases which are commonly 15 years or more in duration. The Directors believe that this approach has the potential to deliver enhanced returns for Shareholders.

The Manager utilises 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, developers, tenant occupiers 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 of 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.

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 approximately 40% of the REIT Group's gross assets. The aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown for a property purchase, of 50% of the REIT Group's gross assets.

Debt will be secured at the asset level 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.

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

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 the gearing paragraph above as part of the Company's portfolio management.

Investment restrictions

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

- the maximum limit for any single asset will be 20% of gross assets calculated at the time of investment (by reference to the latest published interim or annual financial statements);
- the maximum exposure to any tenant or developer will be limited to 20% of gross assets once fully invested and geared in accordance with the gearing paragraph above. However, from time to time, the Company may have a greater exposure to a particular tenant 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 two FTSE Tenants in the Portfolio at any time, will be 30% of gross assets once fully invested and geared in accordance with the gearing paragraph above;
- the maximum exposure to land and options over land will be limited to 10% of net asset value calculated at the time of investment;

- save for investments in land and options over land, the Company will only invest in leased or preleased assets;
- the Company will not invest in speculative developments;
- the Company will not invest in closed-ended investment companies;
- save for investments in land and options over land, the Company will only invest in assets with Institutional-Grade Tenants;
- save for investments in land and options over land, 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.

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.

