

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

A copy of this document, which comprises a prospectus relating to GCP Student Living plc (the “Company”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made under Section 84 of FSMA, has been delivered to the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules. This document has been made available to the public as required by the Prospectus Rules.

Applications will be made for all of the Shares to be issued pursuant to the Initial Issue and each Placing under the 2017 Placing Programme to be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. It is expected that Initial Admission will become effective and dealings in the Initial Issue Shares will commence on 24 February 2017. It is expected that any Subsequent Admission in respect of Placing Shares issued under the 2017 Placing Programme will become effective and dealings in the Placing Shares issued pursuant to any Placing under the 2017 Placing Programme will commence during the period from 27 February 2017 to the Final Admission Date.

The Shares are not dealt in on any other recognised investment exchanges and no applications for the Shares to be traded on any such other exchanges have been made or are currently expected to be made.

The Company and each of the Directors, whose names appear on page 38 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information or which would make any statement contained herein misleading.

**Prospective investors should read the entire document and, in particular, the section headed “Risk Factors” beginning on page 19 when considering an investment in the Shares.**

**The Offer for Subscription will remain open until 1.00 p.m. on 21 February 2017 and the Initial Placing will remain open until 3.00 p.m. on 21 February 2017. Further details of the Offer for Subscription and the Initial Placing are set out in Part 3 of this document.**

**The 2017 Placing Programme will remain open until 1 February 2018 or such earlier time (i) at which the maximum number of Placing Shares to be issued pursuant to the 2017 Placing Programme have been issued, or (ii) at the discretion of the Directors. Further details of the 2017 Placing Programme are set out in Part 4 of this document.**

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## **GCP STUDENT LIVING PLC**

*(Incorporated in England and Wales with registered number 8420243 and registered as an investment company under Section 833 of the Companies Act)*

### **Initial Placing and Offer for Subscription targeting gross proceeds in excess of £60 million**

#### **2017 Placing Programme in respect of up to 200 million Shares**

Investment Manager

**Gravis Capital Partners LLP**

Sponsor and Placing Agent

**Stifel Nicolaus Europe Limited**

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Stifel Nicolaus Europe Limited (“Stifel”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no-one else in connection with the Initial Issue and the 2017 Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stifel, nor for providing advice in connection with the Initial Issue or the 2017 Placing Programme. Stifel is not responsible for the contents of this document. This does not limit or exclude any responsibilities which Stifel may have under FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, which may be imposed on Stifel by FSMA or the regulatory regime established thereunder, Stifel does not accept any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Investment Manager, the Shares, the Initial Issue or the 2017 Placing Programme. Stifel accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

Persons wishing to participate in the Offer for Subscription should complete the Application Form set out in Appendix 1 and, if applicable, the Tax Residency Self-Certification Form set out in Appendix 2 to this document. To be valid, Application Forms and, if applicable, Tax Residency Self-Certification Forms must be completed and returned with the appropriate remittance, by post or by hand (during business hours only), to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. on 21 February 2017.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Stifel or the Investment Manager. The offer and sale of Shares has not been and will not be registered under the applicable securities law of any state, province or territory of the United States, Australia, Canada, the Republic of South Africa or Japan. Subject to certain exemptions, the Shares may not be offered, sold or delivered, directly or indirectly, within the United States, Australia, Canada, the Republic of South Africa or Japan or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 (as amended) (the "**US Securities Act**")) or to any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

The Shares have not been nor will be registered under the U.S. Securities Act or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Dated: 2 February 2017

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## SUMMARY

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

<b>Section A – Introduction and warnings</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
A.1.	Warning	This summary should be read as an introduction to this document. Any decision to invest in the Shares should be based on consideration of the document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale or final placement of securities through financial intermediaries	Not applicable, the Company is not engaging any financial intermediaries for any resale or final placement of securities after publication of this document.
<b>Section B – Issuer</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
B.1.	Legal and commercial name	GCP Student Living plc.
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 26 February 2013 with registered number 8420243 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.

B.5.	Group description	<p>The Company is the holding company of the Group. As at the date of this document, the Company has the following wholly owned subsidiaries:</p> <table border="1"> <thead> <tr> <th data-bbox="635 264 1018 293">Name</th> <th data-bbox="1018 241 1294 293">Date of incorporation</th> <th data-bbox="1294 264 1442 315">Registered number</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 322 1018 344">GCP Topco Limited</td> <td data-bbox="1018 322 1294 344">27 August 2015</td> <td data-bbox="1294 322 1442 344">09751720</td> </tr> <tr> <td data-bbox="635 344 1018 367">GCP Holdco Limited</td> <td data-bbox="1018 344 1294 367">27 August 2015</td> <td data-bbox="1294 344 1442 367">09751644</td> </tr> <tr> <td data-bbox="635 367 1018 389">GCP Scape East Limited</td> <td data-bbox="1018 367 1294 389">15 November 2013</td> <td data-bbox="1294 367 1442 389">8776650</td> </tr> <tr> <td data-bbox="635 389 1018 412">GCP Brunswick Limited</td> <td data-bbox="1018 389 1294 412">31 May 2006</td> <td data-bbox="1294 389 1442 412">5833170</td> </tr> <tr> <td data-bbox="635 412 1018 434">GCP Operations Limited</td> <td data-bbox="1018 412 1294 434">26 March 2014</td> <td data-bbox="1294 412 1442 434">8961147</td> </tr> <tr> <td data-bbox="635 434 1018 524">Leopard Guernsey Greenwich JV Limited</td> <td data-bbox="1018 434 1294 479">26 October 2012</td> <td data-bbox="1294 434 1442 524">55788 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="635 524 1018 613">Leopard Guernsey Greenwich Limited</td> <td data-bbox="1018 524 1294 568">3 November 2011</td> <td data-bbox="1294 524 1442 613">54194 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="635 613 1018 703">Leopard Guernsey Greenwich 2 Limited</td> <td data-bbox="1018 613 1294 658">23 April 2012</td> <td data-bbox="1294 613 1442 703">55013 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="635 703 1018 725">GCP RHUL Limited</td> <td data-bbox="1018 703 1294 725">15 November 2013</td> <td data-bbox="1294 703 1442 725">8776872</td> </tr> <tr> <td data-bbox="635 725 1018 748">GCP RHUL 2 Limited</td> <td data-bbox="1018 725 1294 748">13 April 2016</td> <td data-bbox="1294 725 1442 748">10120942</td> </tr> <tr> <td data-bbox="635 748 1018 770">GCP SG Limited</td> <td data-bbox="1018 748 1294 770">20 February 2014</td> <td data-bbox="1294 748 1442 770">8904577</td> </tr> <tr> <td data-bbox="635 770 1018 860">Old Street Acquisitions Limited</td> <td data-bbox="1018 770 1294 792">18 December 2012</td> <td data-bbox="1294 770 1442 860">56049 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="635 860 1018 949">Leopard Guernsey Old Street Limited</td> <td data-bbox="1018 860 1294 904">21 September 2011</td> <td data-bbox="1294 860 1442 949">54000 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="635 949 1018 1039">Leopard Guernsey Old Street 2 Limited</td> <td data-bbox="1018 949 1294 994">19 October 2011</td> <td data-bbox="1294 949 1442 1039">54120 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="635 1039 1018 1061">GCP WL Limited</td> <td data-bbox="1018 1039 1294 1061">3 February 2016</td> <td data-bbox="1294 1039 1442 1061">09986426</td> </tr> <tr> <td data-bbox="635 1061 1018 1084">GCP Apex Limited</td> <td data-bbox="1018 1061 1294 1084">15 June 2016</td> <td data-bbox="1294 1061 1442 1084">10231975</td> </tr> <tr> <td data-bbox="635 1084 1018 1106">GCP Brunswick 2 Limited</td> <td data-bbox="1018 1084 1294 1106">16 May 2016</td> <td data-bbox="1294 1084 1442 1106">10182391</td> </tr> </tbody> </table>	Name	Date of incorporation	Registered number	GCP Topco Limited	27 August 2015	09751720	GCP Holdco Limited	27 August 2015	09751644	GCP Scape East Limited	15 November 2013	8776650	GCP Brunswick Limited	31 May 2006	5833170	GCP Operations Limited	26 March 2014	8961147	Leopard Guernsey Greenwich JV Limited	26 October 2012	55788 (Guernsey incorporated)	Leopard Guernsey Greenwich Limited	3 November 2011	54194 (Guernsey incorporated)	Leopard Guernsey Greenwich 2 Limited	23 April 2012	55013 (Guernsey incorporated)	GCP RHUL Limited	15 November 2013	8776872	GCP RHUL 2 Limited	13 April 2016	10120942	GCP SG Limited	20 February 2014	8904577	Old Street Acquisitions Limited	18 December 2012	56049 (Guernsey incorporated)	Leopard Guernsey Old Street Limited	21 September 2011	54000 (Guernsey incorporated)	Leopard Guernsey Old Street 2 Limited	19 October 2011	54120 (Guernsey incorporated)	GCP WL Limited	3 February 2016	09986426	GCP Apex Limited	15 June 2016	10231975	GCP Brunswick 2 Limited	16 May 2016	10182391
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B.6.	Major shareholders	<p>So far as is known to the Company by virtue of the notifications made pursuant to the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date the following persons hold directly or indirectly three per cent. or more of the Shares:</p> <table border="1"> <thead> <tr> <th data-bbox="635 1263 1070 1301">Name</th> <th data-bbox="1070 1249 1278 1301">Number of Shares held</th> <th data-bbox="1278 1249 1442 1301">% of issued Share Capital</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 1301 1070 1323">Bank of Montreal</td> <td data-bbox="1070 1301 1278 1323">25,429,101</td> <td data-bbox="1278 1301 1442 1323">9.14</td> </tr> <tr> <td data-bbox="635 1323 1070 1346">CCLA Investment Management Ltd</td> <td data-bbox="1070 1323 1278 1346">21,430,788</td> <td data-bbox="1278 1323 1442 1346">7.70</td> </tr> <tr> <td data-bbox="635 1346 1070 1368">Old Mutual plc</td> <td data-bbox="1070 1346 1278 1368">15,244,727</td> <td data-bbox="1278 1346 1442 1368">5.48</td> </tr> <tr> <td data-bbox="635 1368 1070 1413">Investec Wealth &amp; Investment Limited</td> <td data-bbox="1070 1368 1278 1413">12,050,466</td> <td data-bbox="1278 1368 1442 1413">4.33</td> </tr> <tr> <td data-bbox="635 1413 1070 1435">Aviva plc &amp; its subsidiaries</td> <td data-bbox="1070 1413 1278 1435">8,477,736</td> <td data-bbox="1278 1413 1442 1435">3.05</td> </tr> </tbody> </table> <p>All Shareholders have the same voting rights in respect of the share capital of the Company.</p> <p>As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p>	Name	Number of Shares held	% of issued Share Capital	Bank of Montreal	25,429,101	9.14	CCLA Investment Management Ltd	21,430,788	7.70	Old Mutual plc	15,244,727	5.48	Investec Wealth & Investment Limited	12,050,466	4.33	Aviva plc & its subsidiaries	8,477,736	3.05																																				
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B.7.

## Key financial information

The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the audited consolidated financial statements of the Group for the period from the Company's incorporation to 30 June 2014, the audited consolidated financial statements of the Group for the financial period ended 30 June 2015 and the audited consolidated financial statements of the Group for the financial period ended 30 June 2016:

**Consolidated statement of financial position**

	As at or for the period ended 30 June 2016 (audited) £'000	As at or for the period ended 30 June 2015 (audited) £'000	As at or for the period ended 30 June 2014 (audited) £'000
<i>Assets and liabilities</i>			
Investment Property	424,787	177,220	151,560
Trade and other receivables	6,867	18,683	1,315
Cash and cash equivalents	66,337	106,292	3,629
<b>Total assets</b>	<b>498,806</b>	<b>302,503</b>	<b>157,507</b>
Trade and other payables	(6,114)	(4,819)	(2,212)
Deferred income	(5,235)	(2,442)	(2,028)
Interest bearing loans and borrowings	(128,174)	(39,569)	(39,456)
Financial liabilities at amortised cost	—	(117,422)	—
<b>Total liabilities</b>	<b>(140,338)</b>	<b>(164,774)</b>	<b>(44,652)</b>
<b>Net assets</b>	<b>358,468</b>	<b>137,729</b>	<b>112,855</b>
Number of Shares	261,795,015	109,910,428 (+ 120,000,000 C Shares)	109,910,428
NAV per Share (pence)	136.93	125.51 (C Share NAV = 97.85)	102.64

**Consolidated Statement of Comprehensive Income**

	As at or for the period ended 30 June 2016 (audited) £'000	As at or for the period ended 30 June 2015 (audited) £'000	As at or for the period ended 30 June 2014 (audited) £'000
<i>Income and expenses</i>			
Revenue	22,482	11,505	9,132
Property operating expenses	(4,600)	(2,529)	(1,664)
Administration expenses	(5,712)	(2,001)	(2,357)
Fair value gains on investment properties	27,156	25,660	5,010
Operating profit	39,326	32,635	10,121
Finance expenses – other	(7,635)	—	—
Net gains/(losses) on the valuation of cash flow hedges	214	(261)	47
<b>Total comprehensive income for the period</b>	<b>28,542</b>	<b>31,020</b>	<b>7,756</b>

Save to the extent disclosed below, as at the date of this document, there has been no significant change in the financial condition and operating results of the Company or the Group during or subsequent to the period covered by the historical financial information.

On 20 May 2013, the Company acquired Scape East for £93 million.

On 3 December 2013, the Group acquired The Pad 1 for £13 million, and entered into a forward purchase agreement in respect of The Pad 2.

		<p>On 27 February 2014, the Group entered into a forward purchase agreement in relation to Scape Surrey.</p> <p>On 26 March 2014, GCP Operations Limited, a new wholly owned subsidiary of the Company, was incorporated and effective from 1 April 2014, Scape Student Living took over the facilities and property management function in relation to Scape East, previously provided by Grosvenor Facilities Services Limited. It assumed the employment of those individuals providing asset and facilities management services to Scape East. Accordingly, the facilities and property management agreement with Grosvenor Facilities Services Limited was terminated.</p> <p>On 30 May 2014, the Group acquired Scape Greenwich for approximately £40.5 million.</p> <p>On 7 September 2015, the Group acquired Scape Surrey for approximately £18.9 million.</p> <p>On 25 September 2015, the Group acquired The Pad 2 for approximately £16.1 million.</p> <p>On 30 September 2015, the Group acquired Scape Shoreditch for approximately £166 million. On the same date, the Group completed a refinancing of its borrowing facilities under which it drew down £130 million which was used to part finance the acquisition of Scape Shoreditch, and to repay the Group's then existing borrowings in full.</p> <p>On 3 February 2016, GCP WL Limited, a new wholly owned subsidiary of the Company, was incorporated and on 15 February 2016 GCP WL Limited acquired Water Lane Apartments for approximately £18.3 million.</p> <p>On 13 April 2016, GCP RHUL 2 Limited, a new wholly owned subsidiary of the Company was incorporated and on 14 April 2016, entered into a conditional agreement to acquire Podium, Royal Holloway, London, under the terms of the Forward Purchase Agreement.</p> <p>On 15 June 2016, GCP Apex Limited, a new wholly owned subsidiary of the Company, was incorporated and on 17 June 2016 GCP Apex Limited exchanged contracts to acquire the site in respect of Scape Wembley and entered into the Forward Funding Agreement in relation to Scape Wembley on the same date. On 28 September 2016, GCP Apex Limited completed the site acquisition in respect of Scape Wembley.</p> <p>In the financial period ended 30 June 2014, the Company allotted and issued 109,910,428 Shares and 100,001 non-voting redeemable fixed rate preference shares raising gross proceeds of c.£122 million. The non-voting redeemable fixed rate preference shares were subsequently redeemed and cancelled.</p> <p>In the financial year ended 30 June 2015, the Company allotted and issued 120,000,000 C shares of one pence each at a price of 100 pence per C share, which subsequently converted into 93,725,280 Shares, raising gross proceeds of c.£120 million. The balance of 26,274,720 C Shares were redeemed.</p> <p>In the financial year ended 30 June 2016, the Company allotted and issued 58,159,307 Shares raising gross proceeds of c.£79 million.</p> <p>On 20 December 2016, the Company allotted and issued 16,428,572 Shares raising gross proceeds of c.£23 million.</p> <p>On 16 September 2016 the Company was admitted to the Premium Listing segment of the Official List and transferred from trading on the Specialist Fund Segment to trading on the Premium Segment of the main market of the London Stock Exchange.</p>
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		<p>The independent Valuer completed valuations of the Company's property portfolio as at 30 September 2016 and 31 December 2016. Pursuant to such valuations, the independent Valuer valued the Company's property portfolio at £449.9 million and £465.7 million respectively, compared to the valuation of £424.8 million as at 30 June 2016.</p> <p>The Company declared, and on 5 September 2016 paid, a fourth interim dividend of 1.43 pence per Share in respect of the quarter ended 30 June 2016. In respect of dividends relating to the current financial year, the Company has paid or declared dividends totaling 2.86 pence per Share for the interim period to 31 December 2016.</p>
B.8.	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate made.
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audited financial statements of the Group contained in this document do not contain any qualifications.
B.11.	Qualified working capital	Not applicable. The Company is of the opinion that, after taking into account existing available facilities to the Group, the working capital available to the Group is sufficient for its present requirements that is for at least the next twelve months from the date of this document.
B.34.	Investment policy	<p><b>Investment objective</b></p> <p>The Company's investment objective is to provide Shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with RPI inflation-linked income characteristics.</p> <p><b>Investment policy</b></p> <p>The Company intends to meet its investment objective through owning, leasing and licensing student residential accommodation and teaching facilities to a diversified portfolio of direct let tenants and HEIs. The Company will mostly invest in modern, purpose built, private student residential accommodation and teaching facilities located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation. The Company may also invest in development and forward-funded projects which are consistent with the objective of providing Shareholders with regular, sustainable dividends and have received planning permission for student accommodation, subject to the Board being satisfied as to the reputation, track record and financial strength of the relevant developer and building contractor.</p> <p>Rental income will predominantly derive from a mix of contractual arrangements including direct leases and/or licences to students ("<b>direct let agreements</b>"), leases and/or licences to students guaranteed by HEIs and/or leases and/or licences directly to HEIs. The Company may enter into soft nominations agreements (<i>pari passu</i> marketing arrangements with HEIs to place their students in private accommodation) or hard nominations agreements (longer term marketing arrangements with HEIs of between two and 30 years in duration). Where the Company invests in properties which contain commercial or retail space it may derive further income through leases</p>



		<p>of such space. Where the Company invests in development and forward-funded projects, development costs will typically be paid in stages through construction, with a bullet payment at completion.</p> <p>The Company intends to focus primarily on accommodation and teaching facilities for students studying at Russell Group universities and other leading academic institutions, regional universities with satellite teaching facilities in and around London and at specialist colleges.</p> <p>The Company may invest directly or through holdings in special purpose vehicles and its assets may be held through limited partnerships, trusts or other vehicles with third party co-investors.</p> <p><b>Borrowing and gearing policy</b></p> <p>The Company may seek to use gearing to enhance returns over the long-term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Company may seek to use hedging or otherwise seek to mitigate the risk of interest rate increases. Gearing, represented by borrowings as a percentage of Gross Assets, will not exceed 55 per cent. at the time of investment. It is the Directors' current intention to target gearing of less than 30 per cent. of Gross Assets in the long term and to comply with the REIT condition relating to the ratio between the Group's 'property profits' and 'property finance costs'.</p> <p><b>Use of derivatives</b></p> <p>The Company may invest through derivatives for efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's efficient portfolio management.</p> <p><b>Investment restrictions</b></p> <p>The Company invests and manages its assets with the objective of spreading risk through the following restrictions:</p> <ul style="list-style-type: none"> <li>● the Company will derive its rental income from a portfolio of not less than 500 studios;</li> <li>● the value of any newly acquired single property will be limited to 25 per cent. of Gross Assets, calculated as at the time of investment;</li> <li>● the Company mostly invests in modern, purpose built, private student residential accommodation and teaching facilities located primarily in and around London. Accordingly, no less than 75 per cent. of the Group's property portfolio will comprise assets which are located in and around London, calculated as at the time of investment;</li> <li>● at least 90 per cent. by value of the properties directly or indirectly owned by the Company shall be in the form of freehold or long leasehold (over 60 years remaining at the time of acquisition) properties or the equivalent;</li> <li>● the Company will not (i) invest more than 20 per cent. of its Gross Assets in undeveloped land; and (ii) commit more than 15 per cent. of its Gross Assets to forward-funded projects in respect of such undeveloped land, such commitment to be determined on the basis of the net construction funding requirements (and associated advisory costs) of such projects at the time of commitment up to their completion, in both cases as measured at the time of investment;</li> <li>● the Company will not invest in completed assets which are not income generative at, or shortly following, the time of acquisition; and</li> </ul>
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		<ul style="list-style-type: none"> <li>the Company will not invest in closed-ended investment companies.</li> </ul> <p>The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as the principal company of a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).</p> <p>In the event of a breach of the investment guidelines and restrictions set out above, the Investment 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.</p> <p>No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.</p>
B.35.	Borrowing limits	<p>The Company may seek to use gearing to enhance returns over the long-term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Company may seek to use hedging or otherwise seek to mitigate the risk of interest rate increases. Gearing, represented by borrowings as a percentage of Gross Assets, will not exceed 55 per cent. at the time of investment. It is the Directors' current intention to target gearing of less than 30 per cent. of Gross Assets in the long term and to comply with the REIT condition relating to the ratio between the Group's 'property profits' and 'property finance costs'.</p> <p>As at the Latest Practicable Date, the Group's outstanding debt under the Pricoa Debt Facility was £130 million and is repayable in September 2024.</p> <p>As at the Latest Practicable Date, the Group's average blended cost of borrowing was 3.07 per cent. and the gearing of the Group was approximately 27 per cent. of Gross Assets.</p>
B.36.	Regulatory status	<p>The Company is not regulated as a collective investment scheme by the FCA. However, it is subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Listing Rules and the rules of the London Stock Exchange.</p>
B.37.	Typical investor	<p>Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.</p>
B.38.	Investment of 20 per cent. or more in a single underlying issuer or investment company	<p>Not applicable. The Company will not invest 20 per cent. or more in a single underlying issuer or investment company.</p>
B.39.	Investment of 40 per cent. or more in another collective investment undertaking	<p>Not applicable. The Company will not invest 40 per cent. or more in another collective investment undertaking.</p>
B.40.	Applicant's service providers	<p><b>Investment management arrangements</b></p> <p>The Investment Manager has been given, pursuant to the terms of the Investment Management Agreement, sole responsibility for the management of the Group's assets in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors. The Investment Manager acts as the Company's AIFM for the purpose of the AIFMD and has day-to-day</p>

responsibility for the control and supervision of the Asset and Facilities Managers. The Investment Manager is entitled to receive from the Company: (i) a management fee which is calculated and paid quarterly in arrears at an annual rate of one per cent. of the prevailing NAV; and (ii) a £22,500 per annum fee in relation to the Investment Manager's services provided in its role as the Company's AIFM.

#### **Asset and facilities management arrangements**

The Group has appointed Scape Student Living as the asset and facilities manager in relation to the Scape Standing Assets pursuant to which Scape Student Living provides asset and facilities management services in connection with the Scape Standing Assets (including sales, marketing (including social media) and brand and general facilities management). Scape Student Living also has overall responsibility for the supervision and provision of asset management services through the oversight and management of the Group's employees and is responsible for the procurement and supervision of the facilities management services in connection with the Scape Standing Assets.

Under the terms of the Scape Agreements, Scape Student Living is entitled to a fee which is calculated and paid quarterly in arrears and is equal to one-quarter of the Investment Manager's management fee attributable to each relevant asset. The Investment Manager is responsible for the payment of fees to Scape Student Living out of its investment management fees.

Collegiate has been appointed by the Group to provide asset and facilities management services (including sales, marketing, facilities and brand management) in relation to Water Lane Apartments pursuant to the terms of the Collegiate Agreement. Under the terms of the Collegiate Agreement, Collegiate is entitled to an asset management fee, payable by the Company, of 5.5 per cent. of the total rental income collected by Collegiate per annum in respect of Water Lane Apartments.

#### **Administration arrangements**

Capita Sinclair Henderson Limited has been appointed as the administrator to the Company and its onshore subsidiaries. It provides the day-to-day administration of the Company. It is also responsible for the Company's general administrative functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records. Under the terms of its administration agreement, Capita Sinclair Henderson Limited is entitled to an administration fee of £83,500 per annum (exclusive of VAT). The administration agreement is terminable upon six months' written notice.

Belasko Administration Limited has been appointed as administrator to the Company's offshore subsidiaries and provides the day-to-day administration for these entities.

Under the terms of its administration agreements, Belasko Administration Limited is entitled to an administration fee of £95,600 per annum (exclusive of VAT). The administration agreements are terminable upon three months' written notice.

#### **Secretarial arrangements**

Capita Company Secretarial Services Limited has been appointed by the Company to provide company secretarial functions required by the Companies Act. The Secretary is entitled to a company secretarial fee of £60,000 per annum (exclusive of VAT) in respect of the Company, £1,750 per annum (exclusive of VAT) in respect of each onshore subsidiary and an additional fee of £2,000 per annum (exclusive of VAT) payable in respect of GCP Operations Limited, subject to an annual RPI increase. The secretarial agreement is terminable upon six months' written notice.

		<p><b>Depository arrangements</b></p> <p>Langham Hall UK Depository LLP has been appointed depository to the Company. Under the terms of the Depository Agreement, the Depository is responsible for: (i) ensuring the Company's cash flows are properly monitored; (ii) the safe keeping of Custody Assets and the Non-custody Assets of the Company entrusted to it (which it shall hold on trust for the Company); and (iii) the oversight and supervision of the Investment Manager and the Company. The Depository is entitled to receive a fee of £44,000 per annum (exclusive of VAT). The fee will be increased in line with RPI on 1 January each year.</p>																																						
B.41.	Regulatory status of investment manager and custodian	<p>The Investment Manager is authorised and regulated by the Financial Conduct Authority.</p> <p>The Depository is authorised and regulated by the Financial Conduct Authority.</p>																																						
B.42.	Calculation of NAV	<p>The NAV is calculated quarterly by Capita Sinclair Henderson Limited, as administrator to the Company. Calculations are made in accordance with IFRS or as otherwise determined by the Board.</p> <p>Details of each quarterly valuation, and of any suspension in the making of such valuations, are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant quarter and published on the Investment Manager's website.</p>																																						
B.43.	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.																																						
B.44.	No financial statements have been made up	Not applicable. The Company has commenced operations and historical information is included within this document. Please see the key financial information at B.7.																																						
B.45.	Portfolio	<p>As at 31 December 2016, the property portfolio of the Group was valued by the Valuer at £465.7 million, and comprised the Scape Standing Assets, Water Lane Apartments and Scape Wembley. Details of the portfolio are below:</p> <p><b>Standing assets</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Location</th> <th>Number of Beds</th> <th>Market Value as at 31 December 2016 (£ million)</th> </tr> </thead> <tbody> <tr> <td>Scape East</td> <td>Mile End, London</td> <td>588</td> <td>127.7</td> </tr> <tr> <td>The Pad</td> <td>Royal Holloway, Surrey</td> <td>220</td> <td>34.5</td> </tr> <tr> <td>Scape Greenwich</td> <td>Greenwich, London</td> <td>280</td> <td>51.2</td> </tr> <tr> <td>Scape Surrey</td> <td>Guildford, Surrey</td> <td>141</td> <td>22.9</td> </tr> <tr> <td>Scape Shoreditch</td> <td>Shoreditch, London</td> <td>541</td> <td>176.3</td> </tr> <tr> <td>Water Lane Apartments</td> <td>Water Lane, Bristol</td> <td>153</td> <td>18.5</td> </tr> </tbody> </table> <p><b>Forward funded asset under development</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Location</th> <th>Proposed number of beds (approx.)</th> <th>Date of acquisition</th> <th>Market value as at 31 December 2016 (£ million)</th> </tr> </thead> <tbody> <tr> <td>Scape Wembley</td> <td>Wembley, London</td> <td>580</td> <td>June 2016</td> <td>34.6</td> </tr> </tbody> </table>	Name	Location	Number of Beds	Market Value as at 31 December 2016 (£ million)	Scape East	Mile End, London	588	127.7	The Pad	Royal Holloway, Surrey	220	34.5	Scape Greenwich	Greenwich, London	280	51.2	Scape Surrey	Guildford, Surrey	141	22.9	Scape Shoreditch	Shoreditch, London	541	176.3	Water Lane Apartments	Water Lane, Bristol	153	18.5	Name	Location	Proposed number of beds (approx.)	Date of acquisition	Market value as at 31 December 2016 (£ million)	Scape Wembley	Wembley, London	580	June 2016	34.6
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B.46.	NAV	As at close of business on 31 December 2016, the unaudited estimated NAV per Share was 138.17 pence. The NAV includes income for the period (cum income) and does not include a provision for an accrued dividend for the quarter to 31 December 2016.																																						

		<p>The NAV (ex-income) was 136.74 pence per Share as at that date.</p> <p>The Articles provide that the Directors are required to propose an ordinary resolution that the Company continues its business as presently constituted (the “<b>Continuation Resolution</b>”) (i) at the fifth annual general meeting of the Company in 2018; and (ii) at each third annual general meeting of the Company thereafter. If any Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval.</p> <p>The Directors have the discretion, subject to the necessary shareholder authorities, to seek to manage, on an on-going basis, the premium or discount at which the Shares may trade to their NAV through further issues and buy-backs, as appropriate.</p>
<b>Section C – Securities</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
C.1.	Type and class of securities	<p>Up to 200 million Shares may be issued, in aggregate, pursuant to the Initial Issue and the 2017 Placing Programme.</p> <p>The ISIN for the Shares (which includes the Initial Issue Shares and the Placing Shares) is GB00B8460Z43, the SEDOL is B8460Z4 and the ticker is DIGS.</p>
C.2.	Currency	The Shares are denominated in Sterling.
C.3.	Details of share capital	As at the date of this document, 278,223,587 Shares are in issue, all of which are fully paid. The nominal value of the Shares is one pence each.
C.4.	Description of the rights attaching to the securities	<p>The Shares carry the right to receive the profits of the Company available for distribution at such times as the Directors may determine in accordance with the Articles.</p> <p>On a winding-up, the surplus capital and assets of the Company shall be divided amongst the holders of Shares <i>pro rata</i> according to the nominal capital paid up on their holdings of Shares.</p> <p>Holders of Shares have the right to receive notice of, and to attend and vote at, general meetings and class meetings of the Company. Each holder of Shares who is present in person (or, being a corporation, by representative) or by proxy at a general meeting or a class meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of each Share held by him.</p>
C.5.	Restrictions on the free transferability of the securities	Not applicable; there are no restrictions on the free transferability of the Shares.
C.6.	Admission	<p>Applications will be made to the UKLA and the London Stock Exchange for all of the Shares to be issued pursuant to the Initial Issue and each Placing under the 2017 Placing Programme to be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. The Shares will be held in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.</p> <p>It is expected that Initial Admission will become effective and dealings in the Initial Issue Shares will commence on 24 February 2017.</p>

		It is expected that any Subsequent Admission in respect of Placing Shares issued under the 2017 Placing Programme will become effective and dealings in the Placing Shares issued pursuant to any Placing under the 2017 Placing Programme will commence during the period from 27 February 2017 to the Final Admission Date.
C.7.	Dividend policy	<p>The Company pays dividends on a quarterly basis with dividends typically declared in October, January, April and July and paid in December, March, June and September in each year.</p> <p>In respect of dividends relating to the current financial year, the Company has paid or declared dividends totaling 2.86 pence per Share for the interim period to 31 December 2016.</p> <p>The Company paid dividends totaling 5.66 pence per Share in respect of the financial year ended 30 June 2016 (2015: 5.60 pence per Share).</p> <p>Subscribers for Initial Issue Shares will not be entitled to the dividend of 1.43 pence per Share declared in respect of the quarterly period ended 31 December 2016, as announced on 31 January 2017.</p> <p>The Company's annualised share price total return (with dividend income reinvested) in the period from IPO Admission to the Latest Practicable Date was 15 per cent. which exceeds its target annualised return of 8 to 10 per cent.</p> <p>Investors should note that the targeted annualised total return is a target only and not a profit forecast and there can be no assurance that it will be met or that any dividend or capital growth will be achieved.</p>

#### Section D – Risks

Element	Disclosure Requirement	Disclosure
D.1.	Key information on the key risks that are specific to the Company or its industry	<p>The Company may not meet its investment objective. Any appreciation in the value of Sterling may decrease demand for accommodation by international students which may materially and adversely impact the NAV and earnings of the Company.</p> <p>The Group's performance will depend on general property and investment market conditions.</p> <p>The Group's rental income and property values may be adversely affected by increased supply of student accommodation and teaching facilities, the failure to collect rents or increasing operating costs.</p> <p>The Group may not be able to maintain or increase the occupancy rates or rental rates of the student accommodation properties it acquires, which may have a material adverse impact on the Group's revenue performance, margins and asset values.</p> <p>Any material appreciation in the value of Sterling may decrease demand for accommodation by international students which may materially and adversely impact the NAV and earnings of the Company.</p> <p>Any change in the laws, regulations and/or government policy affecting the Group may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective and on the value of the Company and the Shares. Such potential changes in law, regulation and/or government policy include <i>inter alia</i> increased tuition fees, decreased student loans and/or grants and reducing the number of international students granted student visas which may reduce student numbers and in turn, may reduce demand for student accommodation.</p> <p>The Group's success and results are, to some extent, dependent on the strength and reputation of the 'Scape Student Living' brand. Any damage to the 'Scape Student Living' brand could cause a decline in</p>

		<p>the demand for accommodation and/or the rental rates that can be achieved at the properties owned by the Group. The occurrence of any of these events could have an adverse effect on the Group's revenue, performance, margins and asset values.</p> <p>The net revenue generated by the Group's properties may depend on the financial stability of any HEIs with which the Group has direct contractual relationships.</p> <p>The Group invests in a forward funded asset and may continue to invest in further such developments in future. Development activities may involve a higher degree of risk than is associated with standing assets. Inaccurate assessment of a development opportunity, delays or disruptions which are outside of the Group's control, changes in market conditions and the inability of developers and/or building contractors to perform their contractual commitments could have a material adverse effect on the Company's profitability and NAV.</p> <p>The Group's investments are illiquid and may be difficult or impossible to realise at any particular time which may materially and adversely impact the NAV and the earnings of the Group.</p> <p>The Group uses borrowings which may have an adverse impact on the NAV or dividends. Borrowings may not be available at the appropriate time or on appropriate terms from time to time. In addition, movements in interest rates may affect the cost of financing.</p> <p>The performance of the Group will depend on the ability and services of the Investment Manager and other service providers.</p> <p>Any change in the Company's tax status or in taxation legislation in the UK (including a change in interpretation of such legislation) could affect the Company's profits, portfolio value and ability to achieve its investment objective or provide favourable returns to Shareholders. In particular, an increase in the rates of SDLT or the abolition of Multiple Dwelling Relief could have a material effect on the value of the Group's property assets and the price at which UK property assets can be acquired. Any such change could also adversely affect the net amount of any dividends payable to Shareholders and/or the price of the Shares.</p> <p>If the Group fails to remain qualified as a REIT, its profits and gains will be subject to UK corporation tax.</p> <p>The Group may be subject to a period of significant uncertainty in the event of the UK leaving the EU ("<b>Brexit</b>"). The extent of the impact of Brexit on the Group is currently unknown but may subject it to uncertainty in relation to relevant regulatory and tax legislation, reduce student numbers coming into the UK from the EU and materially and adversely impact the value of student accommodation assets in the UK, including those in the Group's portfolio.</p>
D.3.	Key information on the key risks that are specific to the Shares	<p>The value of the Shares and any income derived from those shares can fluctuate and may go down as well as up.</p> <p>The Shares may trade at a discount to NAV.</p> <p>It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares.</p>
<b>Section E – Offer</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
E.1.	Proceeds and costs of the issue	Up to 200 million Shares may be issued, in aggregate, pursuant to the Initial Issue and the 2017 Placing Programme.

		<p>The Company is targeting raising gross proceeds in excess of £60 million pursuant to the Initial Issue. A maximum of 64,285,715 Shares will be issued pursuant to the Initial Issue. Up to 200 million Shares, less any Shares issued pursuant to the Initial Issue, may be issued under the 2017 Placing Programme.</p> <p>Shares issued under the Initial Issue will be issued at a price of 140.0 pence per Share.</p> <p>Shares issued under any Placing under the 2017 Placing Programme will be issued at a minimum issue price equal to the prevailing published NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions).</p> <p>Assuming gross proceeds of £60 million are raised, the net proceeds of the Initial Issue are expected to be approximately £59.1 million (excluding the fixed costs of implementing the Initial Issue and the 2017 Placing Programme).</p> <p>The net proceeds of the 2017 Placing Programme will depend on the number of Shares issued and the relevant price at which any such Shares are issued.</p> <p>By issuing Shares at a premium to their prevailing NAV intended to at least cover the costs and expenses of the relevant share issue (including, without limitation, any commissions), such fees and expenses in relation to the Initial Issue and any Placing under the 2017 Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, there will be no dilution to the Company's then prevailing published NAV arising from the issuance of Shares pursuant to the Initial Issue or any Placing under the 2017 Placing Programme.</p> <p>The Company will bear the fixed costs incurred in relation to the legal, advisory and regulatory matters arising in connection with the Initial Issue and the 2017 Placing Programme, which are estimated to amount to approximately 0.17 per cent. of its prevailing published NAV as at the date of this document.</p>
E.2.a.	Reasons for the issue and use of proceeds	<p>The Company, through its Investment Manager, continues to see high quality opportunities in the student residential accommodation market, including in respect of the Target Asset, which it believes are strongly positioned to benefit from the core supply/demand imbalance characteristics which the Company seeks to identify in potential investments. To provide the Company with the operational flexibility to take advantage of such investment opportunities as and when they arise in a competitive market, the Company announced on 31 January 2017 that it had obtained shareholder authority to issue and allot up to 200 million Shares on a non-pre-emptive basis, by way of a series of placings and/or open offers and/or offers for subscription, at the discretion of the Directors.</p> <p>The net proceeds of the Initial Issue and any Placing under the 2017 Placing Programme, after providing for the Group's operational expenses, will be used to make investments in accordance with the Company's investment policy, which may include the Target Asset and the pipeline assets identified in paragraph 9 of Part 1 of this document, including Podium.</p>
E.3.	Terms and conditions of the offer	<p><b>Overview</b></p> <p>Up to 200 million Shares may be issued, in aggregate, pursuant to the Initial Issue and the 2017 Placing Programme.</p>



		<p>The Company is targeting raising gross proceeds in excess of £60 million pursuant to the Initial Issue. A maximum of 64,285,715 Shares will be issued pursuant to the Initial Issue, representing maximum gross proceeds thereunder of £90 million.</p> <p>Up to 200 million Shares, less any Shares issued pursuant to the Initial Issue, may be issued under the 2017 Placing Programme.</p> <p><b>Initial Issue</b></p> <p>Shares are being made available under the Initial Issue, at the Initial Issue Price, by way of the Offer for Subscription and the Initial Placing. Shares are being made available under the Initial Placing on and subject to the terms and conditions set out in Part 10 of this document. Shares are being made available under the Offer for Subscription on and subject to the terms and conditions set out in Part 11 of this document.</p> <p>The Offer for Subscription will close at 1.00 p.m. on 21 February 2017 or such later date as the Company and Stifel may agree (being no later than 24 March 2017). The Initial Placing will close at 3.00 p.m. on 21 February 2017 or such later date as the Company and Stifel may agree (being no later than 24 March 2017). If the Offer for Subscription and/or the Initial Placing is extended, the revised timetable will be notified to investors through the publication of an announcement through a Regulatory Information Service.</p> <p>Any application under the Initial Issue may be rejected in whole or in part at the sole discretion of the Company.</p> <p>Individual applications under the Offer for Subscription must be for a minimum subscription of 1,000 Shares and then in multiples of 100 Shares thereafter, although the Directors may accept applications below the minimum amounts stated above in their absolute discretion. There is no minimum or maximum subscription in respect of the Initial Placing.</p> <p>The Initial Issue is conditional, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> <li>• Initial Admission having become effective at or before 8.00 a.m. on 24 February 2017 or such later time and date as the Company and Stifel may agree (being not later than 8.00 a.m. on 29 March 2017);</li> <li>• the Minimum Gross Proceeds being raised; and</li> <li>• the Placing Agreement not having been terminated in accordance with its terms at any time prior to Initial Admission.</li> </ul> <p>The Directors also have the discretion not to proceed with the Initial Issue prior to the allotment of the Shares if all of the above conditions (other than Initial Admission) have been met. If the Initial Issue does not proceed, any monies received under the Initial Issue will be returned to applicants without interest.</p> <p>The Initial Issue is not being underwritten.</p> <p><b>Placings under the 2017 Placing Programme</b></p> <p>The 2017 Placing Programme will open on 27 February 2017 and will close on the Final Admission Date. Shares issued pursuant to any Placing will be issued at a minimum price equal to the prevailing published NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions).</p> <p>The allotment and issue of Placing Shares under the 2017 Placing Programme is at the discretion of the Directors. There is no minimum or maximum subscription in respect of any Placing.</p>
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		<p>The 2017 Placing Programme is not being underwritten and, as at the date of this document the actual number of Placing Shares to be issued pursuant to Placings under the 2017 Placing Programme is not known. The number of Placing Shares available should not be taken as an indication of the number of Placing Shares finally to be issued.</p> <p>Each allotment of Placing Shares pursuant to the 2017 Placing Programme is conditional on:</p> <ul style="list-style-type: none"> <li>• Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment being in place;</li> <li>• the Placing Price being not less than the prevailing published NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions);</li> <li>• the Company having a placing agreement or equivalent arrangement in place at the time of the issue;</li> <li>• a valid supplementary prospectus being published by the Company when required; and</li> <li>• the relevant Subsequent Admission of the Placing Shares issued pursuant to the allotment.</li> </ul> <p>In circumstances where these conditions are not fully met, the relevant issue of Placing Shares pursuant to the 2017 Placing Programme will not take place.</p>
E.4.	Material interests	Not applicable. As at the date of this document, no interest is material to the Initial Issue or any Placing under the 2017 Placing Programme.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Shares as part of the Initial Issue or any Placing under the 2017 Placing Programme.
E.6.	Dilution	As at the Latest Practicable Date, there were 278,223,587 Shares in issue. If the maximum number of 200 million Shares were to be issued pursuant to the Initial Issue and the 2017 Placing Programme, the issued share capital of the Company following such issuance would have increased by approximately 72 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Initial Issue or the 2017 Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 42 per cent. By way of illustration, an existing Shareholder holding Shares representing 5 per cent. of the Company's issued share capital as at the date of this document, who does not acquire any Shares in the Initial Issue or the 2017 Placing Programme, would, following completion of the Initial Issue and the 2017 Placing Programme, hold Shares representing approximately 3 per cent. of the Company's issued share capital following the conclusion of the Initial Issue and the 2017 Placing Programme.
E.7.	Estimated Expenses charged to the investor by the issuer	<p>The Initial Issue Price includes and any Placing Price under the 2017 Placing Programme will include a premium to the Company's prevailing NAV per Share intended to at least cover the costs and expenses of the Initial Issue and relevant Placing (including, without limitation, any commissions). Accordingly, there will be no dilution to the Company's then prevailing published NAV arising from the relevant issuance of Shares.</p> <p>The Company will bear the fixed costs incurred in relation to the legal, advisory and regulatory matters arising in connection with the Initial Issue and the 2017 Placing Programme, which are estimated to amount to approximately 0.17 per cent. of its prevailing published NAV as at the date of this document.</p>

## RISK FACTORS

Investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company or the Shares, including, in particular, the risks described below. An investment in the Shares is only suitable for institutional investors and professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

The Directors believe the risks described below are the material risks relating to an investment in the Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Shares. Investors should review this document carefully and in its entirety and consult with their professional advisers before applying for Shares under the Initial Issue or a Subsequent Placing under the 2017 Placing Programme.

### RISKS RELATING TO THE GROUP, ITS INVESTMENT STRATEGY AND OPERATIONS

#### ***The Company may not meet its investment objective***

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

The Company's investment objective is to provide Shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with RPI inflation-linked income characteristics. The amount of any capital appreciation will depend upon, amongst other things, the Company successfully pursuing its investment policy and the performance of the Group's assets. There can be no assurance as to the level of any capital appreciation over the long term. The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, amongst other things, the Group successfully pursuing the Company's investment policy and the Group's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time. There can be no assurance as to the level and/or payment of future dividends by the Company.

#### ***An appreciation in the value of Sterling may decrease demand for accommodation by international students***

It is expected that a significant proportion of tenants will be international students. As such, any appreciation in the value of Sterling may decrease demand for accommodation by international students which may materially and adversely impact the NAV and earnings of the Company.

#### ***The Group's performance depends on general property and investment market conditions***

The Group's performance depends to a significant extent on property values in the United Kingdom. An overall downturn in the UK property market and the availability and cost of credit to the UK property sector may have a materially adverse effect upon the value of the properties owned by the Group and ultimately upon the NAV and the ability of the Group to generate revenues.

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

Investors contemplating an investment in the Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Group's property portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment in the Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Group, changes in the Group's operating expenses, occupancy rates, the degree to which the Group encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price

of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

### ***Development Risk***

The Group invests in a forward funded asset and may continue to invest in further such developments in future. Development activities of the Group may involve a higher degree of risk than is associated with its standing assets and require the Company to assess each development opportunity. Inaccurate assessment of a development opportunity could result in a substantial proportion of the development remaining vacant after completion. Such vacancies would adversely affect the level of rental income obtained and the value of the development property which could have a material adverse effect on the Company's profitability and NAV.

Development projects may be subject to delays or disruptions that are outside of the Group's control. The Group may not be able to recover cost overruns or may incur holding costs which could have a material adverse effect on the Company's profitability and NAV.

Changes in market conditions or the regulatory environment during the development period may have a detrimental effect upon the development opportunity and ultimately upon the Company's profitability and NAV.

The Group will rely on the performance of the relevant developer and building contractor in relation to each development and forward-funded project. In the event that a developer and/or building contractor is unable (for example by reason of its insolvency) or unwilling to perform its contractual commitments up to a satisfactory standard, the Group may be required to appoint a replacement developer and/or building contractor. There can be no assurance that such a replacement or replacements could be found at all or on terms that are not less favourable to the Group which could have a material adverse effect on the Company's profitability and NAV.

### ***The Group's rental income and property values may be adversely affected by increased supply of student accommodation and teaching facilities, the failure to collect rents, increasing operating costs or any deterioration in the quality of the properties in the Group's portfolio***

Rental income and property values may be adversely affected by increased supply of student accommodation and teaching facilities, the failure to collect rents because of tenants' or licensees' inability to pay or otherwise, the periodic need to renovate and the costs thereof and increased operating costs. A decrease in rental income and/or on property values may materially and adversely impact the NAV and earnings of the Company.

### ***The Group may not be able to maintain or increase the rental rates for its rooms, which may, in the longer term, have a material adverse impact on the value of the Group's properties, as well as the Group's turnover and its ability to service interest on its debts***

The value of the Group's properties and, to a significant degree, the Group's turnover, is dependent on the rental rates that can be achieved from the properties that the Group owns. The ability of the Group to maintain or increase the rental rates for its rooms and properties generally may be adversely affected by general UK economic conditions and/or the disposable income of students. In addition, there may be other factors that depress rents or restrict the Group's ability to increase rental rates, including local factors relating to particular properties/locations (such as increased competition) and any harm to the reputation of the Group amongst universities, students or other potential customers. Any failure to maintain or increase the rental rates for the Group's rooms and properties generally may have a material adverse effect on the value of the Group's properties as well as the Group's turnover and its ability to service interest on its debts in the longer term.

### ***Changes in laws, regulations and/or government policy may adversely affect the Group's business***

The Group and its operations are subject to laws and regulations enacted by national and local governments and government policy. Any change in the laws, regulations and/or government policy affecting the Group may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective and on the value of the Company and the Shares. In such event, the investment returns of the Company may be materially adversely affected. Such potential changes in law, regulation and/or government policy include:

- increased tuition fees, decreased student loans and/or grants and reducing the number of international students granted student visas which may reduce student numbers (both from the United Kingdom and overseas) and reduce students' disposable income which may in turn reduce demand for student accommodation and rents;
- more onerous health and safety and environmental legislation and regulation which may increase the costs of compliance and reduce the Group's earnings; and
- less onerous planning legislation and regulation which may result in increased supply of student accommodation and adversely impact occupancy rates and reduce rents.

Furthermore, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to closed-ended investment companies that are admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The Company must comply with the London Stock Exchange Admission and Disclosure Standards, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation and so far as the Company is aware, as at the date of this document, the Company complies with such rules and regulations as are relevant. Any failure in future to comply with any future changes to such rules and regulations may result in the Shares being suspended from trading on the London Stock Exchange which would impair Shareholders' ability to realise their investment for the duration of any such period of suspension.

### ***UK exit from the European Union***

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

### ***The Group may not be able to maintain the occupancy rates of its current portfolio or any other student accommodation properties it acquires, which may have a material adverse impact on the Group's revenue performance, margins and asset values***

The ability of the Group to maintain attractive occupancy levels (or to maintain such levels on economically favourable terms) on its assets may be adversely affected by a number of factors, including a fall in the number of students, competing sites, any harm to the reputation of the Group amongst universities, students or other potential customers, the need for refurbishment of a given property or as a result of other local or national factors. A fall in occupancy levels may adversely affect the Group's revenue performance, margins and asset values.

### ***The Group is exposed to the 'Scape Student Living' brand***

The Group's success and results are, to some extent, dependent on the strength and reputation of the 'Scape Student Living' brand. The 'Scape Student Living' brand is vulnerable to adverse market perception as it operates in an industry where integrity, customer trust and confidence are paramount. The Group is exposed to the risk that litigation, employee misconduct, operational failures, press speculation and negative publicity, amongst others, whether or not founded, could damage the 'Scape Student Living' brand. The 'Scape Student Living' brand could also be harmed if any of the Scape Standing Assets or any other student residential property that uses the 'Scape Student Living' brand (whether or not owned by the Group) do not perform as expected (whether or not the expectations are founded) or tenants' and/or licensees' expectations for the Scape Standing Assets or any other student residential property (whether or not owned by the Group) that uses the 'Scape Student Living' brand are not met or change.

Any damage to the 'Scape Student Living' brand could cause a decline in the demand for accommodation and/or the rental rates that can be achieved at the properties owned by the Group. The occurrence of any of these events could have an adverse effect on the Group's revenue, performance, margins and asset values.

Furthermore, the Group's non-exclusive licence to use the 'Scape Student Living' brand in respect of any asset will automatically cease if Scape Student Living ceases to provide asset management services in relation to such asset. In such circumstances, the Group is required to cease using the 'Scape Student Living' brand at the relevant asset at the end of the academic year following that in which it ceases to engage Scape Student Living. In such circumstances, the Group will no longer have the benefit of the 'Scape Student Living' brand which could have an adverse effect on the Group's revenue, performance, margins and asset values.

***The net revenue generated by the Group's properties may depend on the financial stability of any HEIs with which the Group has direct contractual relationships***

The net revenue generated from the Group's properties may depend on the financial stability of any HEIs with whom the Group has direct contractual relationships. Clients may default on contract terms, such as rent collection and pre-let agreements, or the advance bookings of student accommodation, having an adverse effect on the Group's revenue, performance, margins and asset values.

***Reliance on service providers and other third parties***

In the main, the Group relies upon the performance of third party service providers to perform its executive functions. In particular, the Investment Manager, the Asset and Facilities Managers, the Administrators, the Depositary, the Secretary and the Registrar and their respective delegates, if any, will perform services that are integral to the Group's operations and financial performance. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Group at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Group's performance and returns to Shareholders.

The termination of the Group's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could disrupt the business of the Group materially and could have a material adverse effect on the Group's performance and returns to Shareholders.

Further, misconduct or misrepresentations by employees of the Group, the Investment Manager, the Asset and Facilities Managers or other third party service providers could cause significant losses to the Group.

***Past performance cannot be relied upon as an indicator of future performance***

The past performance of the Group, other investments managed or advised by the Investment Manager or managed by any of the Asset and Facilities Managers cannot be relied upon as an indicator of the future performance of the Group. Investor returns will be dependent on the Company successfully pursuing its investment policy. The success of the Company depends, amongst other things, on the Investment Manager's ability to identify and acquire investments in accordance with the Company's investment policy and the Asset and Facilities Managers' ability to perform adequately under their relevant Asset and Facilities Management Agreement(s). There can be no assurance that they will be able to do so.

An investor may not get back the amount originally invested. The Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

***Borrowings and interest rate hedging***

Any amounts that are secured by the Group under a loan facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Group's assets not grow at a rate sufficient to cover the costs of establishing and operating the Group, on a liquidation of the Company, Shareholders may not recover their initial investment.

Prospective investors should be aware that, whilst the use of borrowings should enhance NAV per Share, where the value of the Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the

Group's property portfolio falls, including as a result of defaults by tenants pursuant to their leases/licences with the Group, the use of borrowings will increase the impact of such falls on the net revenue of the Group and, accordingly, this will have an adverse effect on the Company's ability to pay dividends to Shareholders.

Any increase in UK Sterling interest rates could have an adverse impact on the Group's cost of borrowing or its ability to secure borrowing facilities and could result in the expected dividends of the Company being reduced and/or a reduction in the value of the Shares. The Group may make use of interest rate hedging contracts, but there is no guarantee that such contracts, will adequately protect the Group from adverse movements in real or nominal interest rates. If such contracts are terminated before their original term expires the Group could incur significant breakage costs which may have an adverse effect on the ability of the Company to pay dividends to Shareholders.

The Directors intend to secure further borrowing facilities to finance and/or part-finance further acquisitions in accordance with the Company's investment policy. However, there can be no guarantee that any such facilities will be available to the Company on commercially acceptable terms or at all, which would adversely affect the Company's investment returns and may have a material adverse effect on the Group's financial position and results of operations.

As at the Latest Practicable Date, the Group has total debt facilities of approximately £130 million (all of which has been drawn).

### ***The Group is subject to concentration risk***

#### *Portfolio*

Whilst it is the Board's intention for the Company to acquire additional property assets in the future there can be no certainty that it will be able to do so. Until the acquisition of any such further assets, the Group's performance will be reliant entirely on revenues derived from the Group's current property portfolio, comprising seven assets as at the Latest Practicable Date. Any circumstances which materially affect the returns generated by the Group's property portfolio may materially and adversely impact the NAV and earnings of the Company.

#### *Geography*

As at the Latest Practicable Date, approximately 96 per cent. of the Group's standing assets are located in and around London. As a result of this concentration the Company may be adversely affected by events which damage or diminish London's attractiveness to students (including overseas students) or London property values which could materially affect the returns generated by the Group's property portfolio which, in turn, could materially and adversely impact the NAV and earnings of the Company.

### ***The Group's investments are illiquid and may be difficult or impossible to realise at any particular time***

The Group invests in student residential accommodation and teaching facilities. Such investments are illiquid and may be difficult for the Group to sell and the price achieved on any such realisation may be at a discount to the prevailing valuation of the relevant investment which may materially and adversely impact the NAV and the earnings of the Company.

### ***Property valuation is inherently subjective and uncertain***

The valuation of the Group's properties is inherently subjective, in part because all property valuations are made on the basis of assumptions which may not prove to be accurate, and, in part, because of the individual nature of each property. This is particularly so where there has been more limited transactional activity in the market against which the Group's property valuations can be benchmarked by the Group's independent third-party valuation agents. Valuations of the Group's investments may not reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

The Group may invest in properties through investments in various property-owning vehicles, and may in the future utilise a variety of investment structures for the purpose of investing in property. Where a property or an interest in a property is acquired through a company or investment structure, the value of the company or investment structure may not be the same as the value of the underlying property due, for example, to tax, environmental, contingent, and contractual or

other liabilities, or structural considerations. As a result, there can be no assurance that the value of investments made through those structures will fully reflect the value of the underlying property.

***The Group may be unable to execute further acquisitions***

The growth of the Group depends upon the ability of the Investment Manager to identify, select and execute future investments which offer the potential for satisfactory returns. There can be no assurance that the Investment Manager will be successful in sourcing suitable investments or that the Group will make any further investments in property assets. The availability of such future investment opportunities will depend upon a number of factors including, but not limited to, the availability of suitable assets for acquisition within the Company's investment objective and policy, conditions in the UK student accommodation sector and the ability of the Company to access appropriate funding.

There can be no guarantee that the Group will have access to further financing or identify and execute any property acquisitions which may adversely impact the secondary market liquidity in the Shares and leave investors subject to greater concentration risk than would otherwise be the case.

The Group has agreed to acquire the Forward Purchase Asset in accordance with the Forward Purchase Agreement. The acquisition is subject to the satisfaction of conditions including, *inter alia*, practical completion of the building works, receipt of a satisfactory building survey and the building achieving bedroom lettings of 75 per cent. or more. The Company will be required to proceed with the acquisition of the Forward Purchase Asset within 12 months from the date on which all conditions under the Forward Purchase Agreement have been satisfied. The Board do not expect building works for the Forward Purchase Asset to be completed until Q3 2017. There can be no assurance that the conditions will be satisfied.

Further details in relation to the Forward Purchase Agreement are set out at paragraph 6.8 of Part 8 of this document.

Under the Pipeline Agreement, Scape Student Living has undertaken to use its reasonable endeavours to ensure that the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and be branded under the 'Scape Student Living' brand, enter into right of first offer agreements in respect of such developments as soon as is practicable following their practical completion. However, there can be no assurance that Scape Student Living will be able to ensure that the owner or owners of such developments enter into such right of first offer agreements or that the Group will be able to acquire such assets, including by reason of not being able to match a third party's valuation. Further details in relation to the Pipeline Agreement are set out at paragraph 6.12 of Part 8 of this document.

The Group will face competition from other property investors who may have greater financial resources than the Group and a greater ability to borrow funds to acquire properties. Competition in the property market may also lead either to an over-supply of student accommodation through over-development or higher prices for existing properties being driven up through competing bids by potential purchasers.

***Any costs associated with potential pipeline investments that do not proceed to completion will affect the Group's performance***

The Group may be required to put down a deposit and expects to incur certain third-party costs in respect of potential pipeline investments, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable assets. There can be no assurance that the Group will not forfeit any deposit or as to the level of such costs. The forfeiture of a deposit may have a material adverse effect on the Group's profitability, NAV and the price of the Shares and there can be no guarantee that the Group will be successful in its negotiations to acquire any given potential pipeline investment.

***The Group's due diligence may not identify all risks and liabilities in respect of an acquisition or lease agreement***

Prior to entering into an agreement to acquire any property, the Investment Manager will perform due diligence, on behalf of the Group, on the proposed investment. In doing so, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations). To the extent that the Investment Manager or other third parties underestimate or fail to identify risks and liabilities (including any environmental liabilities)



associated with the investment in question, the Group may be subject to defects in title, to environmental, structural or operational defects requiring remediation, or the Group may be unable to obtain necessary permits which may materially and adversely impact the NAV and the earnings of the Company.

A due diligence failure may also result in properties that are acquired failing to perform in accordance with projections which may materially and adversely impact the NAV and the earnings of the Company.

The Investment Manager will also perform due diligence, on behalf of the Group, on HEIs prior to entering into any long-term lease or other agreements with such counterparty. To the extent that the Investment Manager or any third party on which it relies to conduct such due diligence, fail to identify risks associated with the relevant HEI (including risks associated with its financial solvency), the Group may risk entering into long term lease or other arrangements which are subsequently not honoured by the counterparty. This may materially and adversely impact the earnings of the Company and its NAV.

***The Group's operational activity is dependent on suppliers, contractors and other third parties***

The Group's business is dependent upon a number of third parties, including suppliers and contractors. To the extent that these parties are unable or unwilling to perform their contractual commitments up to a satisfactory standard, it could have a material adverse effect on the Group's financial position and results of operations.

In addition, the Group has entered into arrangements with third parties for the provision of maintenance services in respect of its properties. To the extent that these third parties are unable or unwilling to perform their contractual commitments, there is a risk of reputational damage to the Group, or that the Group will have to seek alternative contractors (or to perform such services itself) which could be difficult or more costly.

***The Group may suffer losses in excess of insurance proceeds, if any, or from uninsurable events***

The Group's properties may suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated for by insurance, or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Group may lose capital invested in the affected property as well as anticipated future revenue from that property and the Group might also remain liable for any debt or other financial obligations related to that property. Any material uninsured losses may have a material adverse effect on the Group's financial position and results of operations.

***There is a risk of accidents causing personal injury at premises owned by the Group, which could result in litigation against the Group and/or harm the Group's reputation***

There is a risk of accidents at premises owned by the Group, which could result in personal injury to tenants, people visiting the premises, employees, contractors or members of the public. The Group has public liability insurance in place which the Directors consider provides an adequate level of protection against third party claims. However, should an accident attract publicity or be of a size and/or nature that is not adequately covered by insurance, the resulting publicity and costs could have an adverse impact on the Group's reputation, financial position or results of operations.

## **RISKS RELATING TO THE SHARES**

***Shares may trade at a discount to NAV***

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Shares, like shares in all REITs, may fluctuate independently of their relevant underlying NAV and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment. The market value of a Share may vary considerably to its NAV.

***Shareholders have no right to have their Shares redeemed or repurchased by the Company***

The Company has been established as a closed-ended vehicle. Accordingly, there is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

***The issue of Shares pursuant to the Initial Issue and any Placing under the 2017 Placing Programme will dilute existing Shareholders' voting rights***

The issue of Shares pursuant to the Initial Issue and any Placing under the 2017 Placing Programme will dilute the voting rights of the holders of Shares, or the possibility of the issue of Shares, pursuant to the Initial Issue or any Placing under the 2017 Placing Programme may cause the market price of existing Shares to decline although, in respect of the Initial Issue and any Placing under the 2017 Placing Programme, the minimum issue price will be equal to the prevailing published NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant issue of Shares (including, without limitation, any commissions), and therefore will not be dilutive to the NAV per Share.

If the maximum number of 200 million Shares were to be issued pursuant to the Initial Issue and the 2017 Placing Programme, the issued share capital of the Company following such issuance would have increased by approximately 72 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Initial Issue or the 2017 Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 42 per cent. By way of illustration, an existing Shareholder holding Shares representing 5 per cent. of the Company's issued share capital as at the date of this document, who does not acquire any Shares in the Initial Issue or the 2017 Placing Programme, would, following completion of the Initial Issue and the 2017 Placing Programme, hold Shares representing approximately 3 per cent. of the Company's issued share capital following the conclusion of the Initial Issue and the 2017 Placing Programme.

***It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares***

Although the Shares will be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, there can be no assurance as to the levels of secondary market trading in Shares or the prices at which such Shares may trade. Accordingly, Shareholders should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

While the Directors retain the right to effect the repurchases of Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares on the market.

The number of Shares to be issued pursuant to the Initial Issue and/or any Placing under the 2017 Placing Programme is not yet known, and there may be a limited number of holders of Shares. Limited numbers and/or holders of such Shares may mean that there is limited liquidity in such Shares which may affect (i) an investor's ability to realise some or all of his investment; (ii) the price at which such investor can effect such realisation; and/or (iii) the price at which the Shares trade in the secondary market.

***The Shares may be subject to significant forced transfer provisions***

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares

being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act of 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Securities Exchange Act of 1934; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such shares to dispose of such shares and, if the shareholder does not sell such shares, may dispose of such shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and shareholders of the Company generally to sell the Shares and may have an adverse effect on the market value of the Shares (see paragraph 4.5 of Part 8 of this document).

## **RISKS ASSOCIATED WITH THE INVESTMENT MANAGER, THE ASSET AND FACILITIES MANAGERS AND OTHER SERVICE PROVIDERS**

The performance of the Group will depend on the ability of the Investment Manager, the Asset and Facilities Managers and other service providers to provide competent, attentive and efficient services to the Group. There can be no assurance that, over time, the Investment Manager, the Asset and Facilities Managers and other service providers will be able to provide such services or that the Group will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The ability of the Company to achieve its investment objective and maintain an operational portfolio of properties is significantly dependent upon the expertise of the Directors and employees of the Group, the partners, directors and employees of the Investment Manager and the Asset and Facilities Managers and the ability of the Group, the Investment Manager and the Asset and Facilities Managers to attract and retain suitable staff. The impact of the departure of a key individual (or individuals) on the ability of the Investment Manager to achieve the investment objective of the Company or any of the Asset and Facilities Managers to successfully operate and manage the relevant Group assets and facilities cannot be determined and may depend on, amongst other things, the ability of the Group, the Investment Manager and the Asset and Facilities Managers to recruit individuals of similar experience. A failure by the Group, the Investment Manager and/or any of the Asset and Facilities Managers to do so may impact negatively on the performance of the Investment Manager and/or the Asset and Facilities Managers and, therefore, of the Group. The Group is subject to various UK and EU employment and other laws that apply to its employees. Although the Group has no history of labour unrest, there can be no assurance that labour disputes or work stoppages will not occur in the future. Any significant disagreements between the Group and its employees could disrupt the Group’s operations and increase its operating costs, which could affect the Group’s business, financial condition and results of operations.

If the Investment Management Agreement or any Asset and Facilities Management Agreement is terminated, the Directors would have to find a replacement investment manager or asset and facilities manager, as the case may be, for the Group and there can be no assurance that such a replacement will be found.

### ***The Investment Manager and the Asset and Facilities Managers may allocate some of their resources to activities in which the Group is not engaged, which could have a negative impact on the Company’s ability to achieve its investment objective***

The Investment Manager and the Asset and Facilities Managers are not required to commit all of their resources to the Group’s affairs. Insofar as the Investment Manager and/or the Asset and Facilities Managers devote resources to their responsibilities in relation to other business interests, their ability to devote resources and attention to the Group’s affairs will be limited. This could adversely affect the Company’s ability to achieve its investment objective, which could have a material adverse effect on the Company’s profitability, NAV and Share price.

### ***Potential conflicts of interest***

The Investment Manager, the Asset and Facilities Managers and their affiliates may serve as investment manager and asset and facilities managers respectively to other clients and each of the Investment Manager’s and the Asset and Facilities Managers’ organisational and ownership structure involves a number of relationships. The Investment Manager, the Asset and Facilities

Managers, and/or any of their affiliates may have conflicts of interest in allocating their time and activity between the Group and their other clients and in effecting transactions between the Group and such other clients. The Investment Manager, Scape Student Living and/or any of their affiliates may be involved in other financial, investment and professional activities that may on occasion give rise to conflicts of interest with the Group.

Please see paragraph 5 of Part 2 of this document for details on how the Investment Manager and the Asset and Facilities Managers manage these potential conflicts of interest.

## **RISKS RELATING TO TAXATION AND REGULATION**

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

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

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

### ***There is no guarantee that the Group will maintain REIT status***

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

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

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

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

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

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

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

The requirements for maintaining REIT status are complex. Minor breaches of certain conditions within the REIT regime may result in additional tax being payable or will not be penalised if remedied within a given period of time, provided that the regime is not breached more than a certain number of times. A serious breach of these regulations may lead to the Group ceasing to be a REIT. If the Company or the Group fails to meet certain of the statutory requirements to maintain its status as a REIT, the Group may be subject to UK corporation tax on its property rental income profits and any chargeable gains on the sale of some or all properties. This could

reduce the reserves available to make distributions to Shareholders, the yield on the Shares and returns to Shareholders generally. In addition, incurring a UK corporation tax liability might require the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Group's REIT status is withdrawn altogether because of its failure to meet one or more REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred.

#### ***Base erosion and profit shifting***

Base erosion and profit shifting ("BEPS") refers to the tax planning strategies of multinational corporations that exploit mismatches in national tax rules to artificially shift profits to low or no-tax locations, resulting in little or no overall corporate tax being paid. The Organisation for Economic Co-operation and Development ("OECD") and the G20 countries are currently attempting to implement a number of measures to address BEPS and published a final report on 5 October 2015 which sets out 15 actions to tackle BEPS. These include measures aimed at preventing treaty abuse, preventing the artificial avoidance of permanent establishment basis, strengthening controlled foreign company rules and neutralising the effects of hybrid mismatch arrangements. In addition, the OECD report includes a sizeable section on potential changes to interest deductibility rules. Implementation of the OECD's BEPS measures, in final form, will be at the discretion of individual countries and the UK Government announced plans to introduce legislation to implement the OECD's recommendations from 1 April 2017 as part of the 2016 Budget. While the Investment Manager does not believe the Company is an intended target of the OECD's BEPS measures, being neither a multinational company nor involved in artificial arrangements, it is currently unclear what the implications will be for the Company or the real estate sector. It is possible that the implementation of the BEPS actions in the UK or other jurisdictions through which the Company invests may have negative implications for the Company, including the potential for a reduction in the tax deductibility of debt interest. There is therefore a risk that the OECD's BEPS measures could have an adverse effect on the value of the Company's investments and/or the results of its operations.

#### ***Distribution requirements may limit the Group's flexibility in executing its acquisition plans***

The Group is intending to grow through acquisitions. However, the REIT distribution requirements limit the Group's ability to fund acquisitions and capital expenditures through retained income earnings. To maintain REIT status and as a result obtain full exemption from UK corporation tax on the profits of the Property Rental Business of the Group, the Group is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distributions. The Company would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that it distributes as Property Income Distributions less than the amount required to meet the 90 per cent. distribution test for each accounting period. Therefore, the Group's ability to grow through acquisitions would be limited if the Group were unable to obtain further debt or the Company were unable to issue Shares.

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

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

#### ***The Group's status as a REIT may restrict distribution opportunities to Substantial Shareholders***

The Company may become subject to an additional tax charge if it makes a distribution to, or in respect of, a Substantial Shareholder. A Substantial Shareholder is, broadly, a company which is beneficially entitled to ten per cent. or more of the share capital of the Company (measured by reference to the percentage of the total nominal value of the share capital of the Company) or ten per cent. or more of the distributions paid by the Company or controls at least ten per cent. of the voting rights. This additional tax charge will not be incurred if the Company has taken reasonable steps to avoid paying distributions to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where distributions may become payable to a Substantial Shareholder. These provisions provide the Directors with powers to identify Substantial Shareholders. The Articles also allow the Directors to require the disposal of Shares forming part

of a Substantial Shareholding in certain circumstances where the Substantial Shareholder has failed to comply with these provisions.

***The Company has not registered and will not register as an investment company under the U.S. Investment Company Act and the Company's assets could be deemed "plan assets" that are subject to the requirements of ERISA and/or Section 4975 of the U.S. Code***

The Company will seek to qualify for an exemption from the definition of "investment company" under the U.S. Investment Company Act and will not register as an investment company in the United States under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Company or its investors. To avoid being required to register as an investment company under the U.S. Investment Company Act and to avoid violating such act, the Company has implemented restrictions on the ownership and transfer of the Shares, which may materially affect Shareholders' ability to transfer their Shares to U.S. Persons.

The purchase of Shares by an employee benefit plan subject to ERISA, or Section 4975 of the U.S. Code or by any entity whose assets are treated as assets of any such plan, could result in the assets of the Company being considered plan assets for the purposes of ERISA, and/or Section 4975 of the U.S. Code and regulations made thereunder. In such circumstances the Company, the Investment Manager and also the fiduciaries of such an employee benefit plan could be liable for any ERISA violations by the Company or the Investment Manager and for other adverse consequences under ERISA. Each purchaser and transferee of Shares will be deemed to have represented by its purchase or receipt of the Shares, and throughout the period that it holds the Shares, that it is not an employee benefit plan subject to ERISA or Section 4975 of the U.S. Code or an entity whose assets are treated as assets of any such employee benefit plan. The Directors are also empowered by the Articles to require Shareholders, which they consider may because of their shareholding result in the assets of the Company being considered plan assets, to transfer their Shares in order to reduce this risk materialising. See paragraph 4.5 of Part 8 of this document for further details.

***Greater regulation of the financial services industry, which imposes additional restrictions on the Company, may materially affect the Group's business and its ability to achieve its investment objective***

Legislation proposing greater regulation of the financial services industry and the financial markets is being actively pursued in the European Union and other jurisdictions.

There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Group. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to carry out its business, to successfully pursue its investment policy and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may materially adversely affect the investment returns of the Company.

## IMPORTANT INFORMATION

### GENERAL

In assessing an investment in Shares pursuant to this document, investors should rely only on the information in this document. No person has been authorised to give any information or make any representations in relation to the Group other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the Investment Manager, Stifel or any other person. Neither the delivery of this document nor any subscription or purchase of Shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Stifel by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other jurisdiction, Stifel accepts no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Group, the Investment Manager, the Shares, the Initial Issue or any Placing under the 2017 Placing Programme. Stifel accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares pursuant to the Initial Issue or the 2017 Placing Programme by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering of Shares pursuant to the Initial Issue or the 2017 Placing Programme in certain jurisdictions may be restricted. Accordingly, persons into whose possession this document comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this document under the laws and regulations of any jurisdiction in connection with any application for Shares under the Initial Issue or the 2017 Placing Programme, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the UK, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required.

The Shares are being offered and issued pursuant to the Initial Issue and the 2017 Placing Programme outside the United States in reliance on Regulation S. The Shares have not been nor will they be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not registered and will not register under the U.S. Investment Company Act. The Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Initial Issue or any Placing under the 2017 Placing Programme or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

### PRESENTATION OF INFORMATION

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

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### ***Currency presentation***

Unless otherwise indicated, all references in this document to “£” or “pence” are to the lawful currency of the UK and all references to “U.S.\$” are to the lawful currency of the United States of America.

### ***Definitions***

A list of defined terms used in this document is set out at pages 120 to 126.

### ***Governing law***

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

### ***Investment considerations***

The contents of this document are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the subscription for, purchase, holding, transfer or other disposal of Shares;
- any foreign exchange restrictions applicable to the subscription for, purchase, holding, transfer or other disposal of Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the subscription for, purchase, holding, transfer or other disposal of Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Group and an investment in the Shares pursuant to the Initial Issue or the 2017 Placing Programme.

An investment in the Shares should be regarded as a long term investment. There can be no assurance that the Company’s investment objective will be achieved.

This document should be read in its entirety before making any investment in the Shares pursuant to the Initial Issue or the 2017 Placing Programme. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, which investors should review.

### **WEBSITE**

The contents of the Investment Manager’s website insofar as they relate to the Group do not form part of this document. Investors should base their decision whether or not to invest in the Shares on the contents of this document alone.

### **OVERSEAS INVESTORS**

#### ***For the attention of prospective investors in the European Economic Area***

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to the Initial Issue or any Placing under the 2017 Placing Programme to the public in that Relevant Member State prior to the publication of a document in relation to the Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

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

provided that no such offer of Shares shall result in a requirement for the publication of a document pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any



Shares or to whom any offer is made under the Initial Issue or any Placing under the 2017 Placing Programme will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares pursuant to the Initial Issue or the 2017 Placing Programme in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the “**2010 PD Amending Directive**”), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

***For the attention of prospective investors in Guernsey***

The Shares may only be promoted pursuant to the Initial Issue or the 2017 Placing Programme in or from within the Bailiwick of Guernsey by persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended). Persons appointed by the Company and not so licensed may not promote the Company in Guernsey to private investors and may only distribute and circulate any document relating to the Shares in Guernsey to persons regulated as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000. Promotion of the Shares pursuant to the Initial Issue or the 2017 Placing Programme may not be made in any other way. The Prospectus Rules 2008 do not apply to the offer of the Shares pursuant to the Initial Issue or the 2017 Placing Programme.

***For the attention of prospective investors in Jersey***

This document may be circulated in Jersey only by persons who are registered by the Jersey Financial Services Commission in accordance with the FSL for the conduct of financial services business to distribute this document or are either exempt from, or outside the scope of, such registration in accordance with the FSL.

Consent for the circulation of this document in accordance with article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, has not been sought from or given by the Jersey Financial Services Commission. This document may be circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom.

***For the attention of prospective investors in the Isle of Man***

The offer of Shares under this document is available and is and may be made in or from the Isle of Man only (i) by persons licensed to do so under the Isle of Man Financial Services Act 2008 (the “**2008 Act**”); or (ii) to persons falling within an exclusion as set out in the Regulated Activities Order 2011 (as amended 2013 and 2016) or the Financial Services (Exemptions) Regulations 2011 (as amended 2013 and 2016) made under the 2008 Act. The offer of Shares under this document and this document are not available in or from the Isle of Man other than in accordance with (i) and (ii) above and must not be relied upon by any person unless made or received in accordance with the same.

***For the attention of prospective investors in Denmark***

The Company is an alternative investment fund and the manager of the Company is an AIFM for purposes of the AIFMD. As such the Company may not be marketed, and this document may not be sent, to investors in Denmark unless: (i) the Company has been approved for marketing in Denmark by the Danish Financial Supervisory Authority pursuant to art. 42 of the AIFMD, in which case the Company may be marketed to professional investors within the meaning of the Danish AIFM Act only; or (ii) such marketing was initiated by the investors (reverse solicitation exemption). This document must not be distributed to, or relied upon by, investors in Denmark in any other circumstances. Furthermore, this document does not constitute a prospectus under any Danish laws or regulations and has not been filed with or approved by the Danish Financial Supervisory

Authority as this document has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued in connection thereto. In accordance with the exemption from the prospectus requirements, this document will only be directed to qualified investors as defined in Section 2 of the Danish Executive Order no.1257/2015.

***For the attention of prospective investors in Ireland***

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

***For the attention of prospective investors in Sweden***

The Investment Manager has been duly notified to the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the “**SFSA**”) and may under the Swedish Alternative Investment Fund Managers Act (2013:561) (the “**AIFMA**”) market interests in the Company to professional investors in Sweden as defined in the AIFMA. Shares offered pursuant to the Initial Issue and the 2017 Placing Programme under this document are only directed to a limited number of professional investors for the purpose of providing certain information about a prospective investment in the Company and the information contained herein is to be used by the prospective professional investor to which it is furnished solely in connection with the consideration of the purchase of Shares described herein and not for any other purpose. This document may not be copied or, directly or indirectly, be distributed to or made available to non-professional investors in Sweden.

This document has not been, nor will it be, registered with or approved by the SFSA under the Swedish Financial Instruments Trading Act (1991:980) (the “**Trading Act**”). Accordingly, this document may not be made available, nor may the interests in the Company offered hereunder be marketed and offered for sale in Sweden, other than under circumstances which do not require a prospectus (Sw. prospekt) under the Trading Act.

***For the attention of prospective investors in Switzerland***

The Company has not been licensed for distribution with the Swiss Financial Market Supervisory Authority (“**FINMA**”) as a foreign collective investment scheme pursuant to Article 120 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (“**CISA**”). Also, the Company has not appointed a Swiss paying agent and representative and therefore may not be distributed in Switzerland (as defined by Art. 3 para. 1 CISA). Accordingly, in Switzerland the Shares offered pursuant to the Initial Issue or the 2017 Placing Programme will only be offered and sold to prudentially regulated financial institutions pursuant to Article 10 para. 3 lit. a and b CISA; in addition, the Shares offered pursuant to the Initial Issue or the 2017 Placing Programme may be sold under the reverse solicitation-exemption pursuant to Article 3 para. 2 lit. a CISA. This document and any other offering material relating to the Shares may only be handed out within these restrictions. Investors in the Shares pursuant to the Initial Issue or the 2017 Placing Programme do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA. The Shares are not publicly offered within the meaning of article 652a or 1156 of the Swiss Code of Obligations. As a consequence, this document is not a prospectus within the meaning of these provisions and may therefore not comply with the information standards required thereunder. This document is not a listing prospectus according to article 27 et seq. of the Listing Rules of the SIX Swiss Exchange and may therefore not comply with the

information standards required thereunder or under the listing rules of any other Swiss stock exchange.

***For the attention of prospective investors in the Netherlands***

The Shares will not be offered, sold, transferred or delivered, directly or indirectly, in the Netherlands, except to professional investors (*professionele beleggers*) within the meaning of section 1:1 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*). Accordingly, this document may only be distributed or made available to persons in the Netherlands that qualify as professional investors (*professionele beleggers*) within the meaning of section 1:1 of the Dutch Act on financial supervision.

No approved prospectus is required pursuant to Directive 2003/71/EC, as amended.

**FORWARD-LOOKING STATEMENTS**

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

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

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part 8 of this document.

## EXPECTED TIMETABLE

Publication of Prospectus	2 February 2017
<b>INITIAL ISSUE</b>	
Initial Placing opens	2 February 2017
Offer for Subscription opens	2 February 2017
Latest time and date for receipt of completed Application Forms in respect of the Offer for Subscription	1.00 p.m. on 21 February 2017
Latest time and date for commitments under the Initial Placing	3.00 p.m. on 21 February 2017
Publication of results of the Initial Issue	22 February 2017
Initial Admission and dealings in Shares issued pursuant to the Initial Issue commence	8.00 a.m. on 24 February 2017
CREST accounts credited with uncertificated Shares issued pursuant to the Initial Issue	24 February 2017
Where applicable, definitive share certificates despatched by post in the week commencing	6 March 2017
<b>2017 PLACING PROGRAMME</b>	
2017 Placing Programme opens	27 February 2017
Announcement of the results of each Placing	as soon as practicable after the closing of each Placing
Subsequent Admission and crediting of CREST accounts in respect of each Placing	as soon as practicable following the closing of each Placing
Share certificates in respect of Shares issued pursuant to each Placing dispatched (if applicable)	approximately two weeks following the Admission of the Placing Shares
Last possible date for Shares to be issued pursuant to the 2017 Placing Programme	1 February 2018

\* The dates and times specified are subject to change. References to times are London times unless otherwise stated. Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.

## ISSUE STATISTICS

### INITIAL ISSUE STATISTICS

Initial Issue Price	140.0 pence
Target gross proceeds of the Initial Issue	in excess of £60 million
Estimated net proceeds of the Initial Issue*	approximately £59.1 million
Maximum number of Shares available pursuant to the Initial Issue	64,285,715 Shares

\* Assuming gross proceeds raised under the Initial Issue of £60 million and excluding the fixed costs of implementing the Initial Issue and the 2017 Placing Programme. The actual number of Shares to be issued pursuant to the Initial Issue, and therefore the gross Initial Issue proceeds, is not known as at the date of this document but will be notified by the Company via a Regulatory Information Service prior to Initial Admission.

## **2017 PLACING PROGRAMME STATISTICS**

Aggregate maximum size of Placings under the 2017 Placing Programme

200 million Shares

Minimum Placing Price for any Placing

NAV per Share plus a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions)

## **DEALING CODES**

The dealing codes for the Shares are as follows:

ISIN GB00B8460Z43

SEDOL B8460Z4

TICKER DIGS

## DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Robert Henry Haldane Peto (Chairman) Robert Malcolm Naish Peter William Dunscombe Marlene Wood
	all of the registered office below:
Registered Office	51 New North Road Exeter EX4 4EP Tel: 01392 477500
Investment Manager and the AIFM	Gravis Capital Partners LLP 53-54 Grosvenor Street London W1K 3HU Tel: 020 7518 1490
Sponsor and Placing Agent	Stifel Nicolaus Europe Limited 4th Floor, 150 Cheapside London EC2V 6ET
Solicitors to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Solicitors to the Sponsor and Placing Agent	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Secretary	Capita Company Secretarial Services Limited Beaufort House 51 New North Road Exeter EX4 4EP
Administrators	Capita Sinclair Henderson Limited Beaufort House 51 New North Road Exeter EX4 4EP
	Belasko Administration Limited Weighbridge House Le Pollet St Peter Port GY1 1WL Guernsey
Receiving Agent	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Depository	Langham Hall UK Depository LLP 5 Old Bailey London EC4M 7BA
Reporting Accountant	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF
Valuer	Knight Frank LLP 55 Baker Street London W1U 8AN
Principal Banker	Pricoa Mortgage Capital* 751 Broad Street Newark New York Jersey 07102 USA

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\* Pricoa Mortgage Capital is a trading name of The Prudential Insurance Company of America, a company incorporated in New Jersey, USA

# PART 1

## INFORMATION ON THE GROUP

### 1 INTRODUCTION

The Company is a closed-ended investment company incorporated in England and Wales on 26 February 2013 which carries on business as the principal company of a REIT. In the period from IPO Admission to the Latest Practicable Date, the Share price total return (including dividend income reinvested) was 15 per cent.

As at 31 December 2016, the value of the Group's property portfolio was £465.7 million and the unaudited estimated NAV per Share was 138.17 pence. The NAV includes income for the period (cum income) and does not include a provision for an accrued dividend for the quarter to 31 December 2016. The NAV (ex-income) was 136.74 pence per Share as at that date. As at the Latest Practicable Date, the market capitalisation of the Company was £401 million.

The Group employs 86 persons to provide asset and facilities management services in relation to the Scape Standing Assets.

On 16 September 2016, the Company transferred its admission from the London Stock Exchange (Specialist Fund Segment) to an admission to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

The Company's investment manager is Gravis Capital Partners LLP who acts as the Company's AIFM for the purposes of AIFMD. As at 31 December 2016, the Investment Manager had total assets under management of c.£1.6 billion, including three closed-ended investment companies admitted to the premium segment of the Official List and traded on the London Stock Exchange's main market for listed securities – the Company, GCP Infrastructure Investments Limited and GCP Asset Backed Income Fund Limited and which, as at the Latest Practicable Date, all traded at a premium to their respective net asset valuations.

### 2 OVERVIEW OF THE INITIAL ISSUE AND THE 2017 PLACING PROGRAMME

On 29 April 2016 the Company published a prospectus relating to the 2016 Placing Programme to issue up to 65 million Shares. In May and December 2016 the Company issued in aggregate approximately 60.5 million Shares raising gross proceeds of £83 million for the Company. Following the placing of Shares in December 2016, and as announced on 16 December 2016, the 2016 Placing Programme has been substantially exhausted.

The Company, through its Investment Manager, continues to see high quality opportunities in the student residential accommodation market, including in respect of the Target Asset, which it believes are strongly positioned to benefit from the core supply/demand imbalance characteristics which the Company seeks to identify in potential investments. To provide it with the operational flexibility to take advantage of such investment opportunities as and when they arise in a competitive market, the Company announced on 31 January 2017 that it had obtained shareholder authority to issue and allot up to 200 million Shares on a non-pre-emptive basis, by way of a series of placings and/or open offers and/or offers for subscription, at the discretion of the Directors. The shareholder authority granted replaced the shareholder authorities remaining in respect of the 2016 Placing Programme. The Initial Issue and any Placings under the 2017 Placing Programme are being conducted under the shareholder authorities described above.

Up to 200 million Shares may be issued, in aggregate, pursuant to the Initial Issue and the 2017 Placing Programme. The Company is targeting raising gross proceeds in excess of £60 million pursuant to the Initial Issue, by way of the Offer for Subscription and the Initial Placing. In determining the size of the Initial Issue, the Directors will take into account a number of factors including the availability and likelihood of acquisition of the pipeline assets (including the Target Asset), and demand for the new Shares.

The net proceeds of the Initial Issue and any Placing under the 2017 Placing Programme, after providing for the Group's operational expenses, will be used to make investments in accordance with the Company's investment policy, which may include the pipeline assets identified in paragraph 9 of this Part 1 of this document, including Podium. It is the Directors' current intention that the net proceeds of the Initial Issue be used to acquire the Target Asset, subject to satisfactory completion of advanced due diligence and contractual terms being agreed in an appropriate timeframe.



In accordance with the authorities granted by Shareholders at a general meeting of the Company held on 31 January 2017 and which expire on 16 February 2018, the Shares will be issued on a non-pre-emptive basis.

As at the Latest Practicable Date, there were 278,223,587 Shares in issue. If the maximum number of 200 million Shares were to be issued pursuant to the Initial Issue and the 2017 Placing Programme, the issued share capital of the Company following such issuance would have increased by approximately 72 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Initial Issue or the 2017 Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 42 per cent. By way of illustration, an existing Shareholder holding Shares representing 5 per cent. of the Company's issued share capital as at the date of this document, who does not acquire any Shares in the Initial Issue or the 2017 Placing Programme, would, following completion of the Initial Issue and the 2017 Placing Programme, hold Shares representing approximately 3 per cent. of the Company's issued share capital following the conclusion of the Initial Issue and the 2017 Placing Programme.

The Directors have considered the potential impact of the Initial Issue and the 2017 Placing Programme on the payment of dividends to Shareholders and will seek to ensure that the Initial Issue and any Placings under the 2017 Placing Programme do not result in material dilution to the dividends per Share that the Company may be able to pay to Shareholders from time to time.

By issuing Shares at a premium to their then prevailing NAV intended to at least cover the costs and expenses of the relevant share issue (including, without limitation, any commissions) such fees and expenses in relation to the Initial Issue and any Placing under the 2017 Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, there will be no dilution to the Company's then prevailing published NAV arising from the issuance of Shares pursuant to the Initial Issue or any Placing under the 2017 Placing Programme.

The Company will bear the fixed costs incurred in relation to the legal, advisory and regulatory matters arising in connection with the Initial Issue and the 2017 Placing Programme, which are estimated to amount to approximately 0.17 per cent. of its prevailing published NAV as at the date of this document.

Further information in relation to the Initial Issue and the 2017 Placing Programme is set out at Part 3 and Part 4 of this document, respectively.

### **Benefits of the Initial Issue and the 2017 Placing Programme**

The Directors believe that instituting the Initial Issue and the 2017 Placing Programme will have the following benefits for Shareholders:

- the Company will be able to raise additional capital promptly, enabling it to take advantage of investment opportunities as and when they arise;
- selective acquisitions of assets with attractive rental growth characteristics will further diversify the Company's investment portfolio and reduce portfolio concentration risk;
- an increase in the market capitalisation of the Company should make the Company more attractive to a wider investor base;
- it is expected that the secondary market liquidity in the Shares will be further enhanced as a result of a larger and more diversified shareholder base. The Initial Issue and the 2017 Placing Programme will partially satisfy market demand for Shares from time to time and may improve liquidity in the market for Shares; and
- the Company's fixed running costs will be spread across a wider asset base, thereby reducing its on-going charges ratio.

### **3 INVESTMENT OBJECTIVE**

The Company's investment objective is to provide Shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with RPI inflation-linked income characteristics.

### **4 INVESTMENT POLICY**

The Company intends to meet its investment objective through owning, leasing and licensing student residential accommodation and teaching facilities to a diversified portfolio of direct let tenants and HEIs. The Company will mostly invest in modern, purpose built, private student

residential accommodation and teaching facilities located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation. The Company may also invest in development and forward-funded projects which are consistent with the objective of providing Shareholders with regular, sustainable dividends and have received planning permission for student accommodation, subject to the Board being satisfied as to the reputation, track record and financial strength of the relevant developer and building contractor.

Rental income will predominantly derive from a mix of contractual arrangements including direct leases and/or licences to students (“**direct let agreements**”), leases and/or licences to students guaranteed by HEIs and/or leases and/or licences directly to HEIs. The Company may enter into soft nominations agreements (*pari passu* marketing arrangements with HEIs to place their students in private accommodation) or hard nominations agreements (longer term marketing arrangements with HEIs of between two and 30 years in duration). Where the Company invests in properties which contain commercial or retail space it may derive further income through leases of such space. Where the Company invests in development and forward-funded projects, development costs will typically be paid in stages through construction, with a bullet payment at completion.

The Company intends to focus primarily on accommodation and teaching facilities for students studying at Russell Group universities and other leading academic institutions, regional universities with satellite teaching facilities in and around London and at specialist colleges.

The Company may invest directly or through holdings in special purpose vehicles and its assets may be held through limited partnerships, trusts or other vehicles with third party co-investors.

### **Borrowing and gearing policy**

The Company may seek to use gearing to enhance returns over the long term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Company may seek to use hedging or otherwise seek to mitigate the risk of interest rate increases. Gearing, represented by borrowings as a percentage of Gross Assets, will not exceed 55 per cent. at the time of investment. It is the Directors’ current intention to target gearing of less than 30 per cent. of Gross Assets in the long term and to comply with the REIT condition relating to the ratio between the Group’s ‘property profits’ and ‘property finance costs’.

### **Use of derivatives**

The Company may invest through derivatives for efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company’s efficient portfolio management.

### **Investment Restrictions**

The Company invests and manages its assets with the objective of spreading risk through the following restrictions:

- the Company will derive its rental income from a portfolio of not less than 500 studios;
- the value of any newly acquired single property will be limited to 25 per cent. of Gross Assets, calculated as at the time of investment;
- the Company mostly invests in modern, purpose built, private student residential accommodation and teaching facilities located primarily in and around London. Accordingly, no less than 75 per cent. of the Group’s property portfolio will comprise assets which are located in and around London, calculated as at the time of investment;
- at least 90 per cent. by value of the properties directly or indirectly owned by the Company shall be in the form of freehold or long leasehold (over 60 years remaining at the time of acquisition) properties or the equivalent;
- the Company will not (i) invest more than 20 per cent. of its Gross Assets in undeveloped land; and (ii) commit more than 15 per cent. of its Gross Assets to forward-funded projects in respect of such undeveloped land, such commitment to be determined on the basis of the net construction funding requirements (and associated advisory costs) of such projects at the time of commitment up to their completion, in both cases as measured at the time of investment;

- the Company will not invest in completed assets which are not income generative at, or shortly following, the time of acquisition; and
- the Company will not invest in closed-ended investment companies.

The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as the principal company of 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 guidelines and restrictions set out above, the Investment 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.

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

## **5 DIVIDEND POLICY AND TARGET RETURNS**

The Company pays dividends on a quarterly basis with dividends typically declared in October, January, April and July and paid in December, March, June and September in each year.

In respect of dividends relating to the current financial year, the Company has paid or declared dividends totaling 2.86 pence per Share for the interim period to 31 December 2016.

The Company paid dividends totaling 5.66 pence per Share in respect of the financial year ended 30 June 2016 (2015: 5.60 pence per Share).

The Company's annualised share price total return (with dividend income reinvested) in the period from IPO Admission to the Latest Practicable Date was 15 per cent. which exceeds its target annualised return of 8 to 10 per cent.

The UK REIT rules require the Group to meet a minimum distribution test for each accounting period that it is a REIT, or otherwise suffer a tax charge. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits of the Property Rental Business for each accounting period, as adjusted for tax purposes.

Investors should note that the targeted annualised total return is a target only and not a profit forecast and there can be no assurance that it will be met or that any dividend or capital growth will be achieved.

## **6 GROUP BORROWINGS**

As at the Latest Practicable Date, the Group's outstanding debt under the Pricoa Debt Facility was £130 million and is repayable in September 2024. As at that date, its average blended cost of borrowing was 3.07 per cent. and the gearing of the Group was approximately 27 per cent. of Gross Assets.

## **7 THE PORTFOLIO**

As at 31 December 2016, the property portfolio of the Group comprised six standing assets (being the Scape Standing Assets and Water Lane Apartments) providing c.2,000 modern studios and beds and one forward funded development asset, Scape Wembley which, on completion, will provide a further c.580 studios and beds.

The Group's property portfolio was valued by the Valuer at £465.7 million as at 31 December 2016. The valuation of the Group's property portfolio as at that date is set out in the Valuation Report in Part 6 of this document. As at 30 June 2016 the Group had total property assets of £424.8 million. The increase of £40.9 million principally consists of the acquisition and ongoing construction of Scape Wembley of £34.6 million and an increase in the value of the Group's property assets, of £6.3 million.

The Group's standing assets are fully occupied for the 2016/17 academic year. As at the Latest Practicable Date, the net initial yield on the Group's standing assets was 5.1 per cent.

As at the Latest Practicable Date the Group's property portfolio comprised of the following assets:

**Standing assets (all freehold unless otherwise stated)**

Name	Location	Number of Beds	Year completed	Commercial space	Market Value as at 31 December 2016 (£ million)
Scape East	Mile End, London	588	2012	22,000 sq ft	127.7
The Pad	Royal Holloway, Surrey	220	2013	Nil	34.5
Scape* Greenwich	Greenwich, London	280	2014	Nil	51.2
Scape Surrey	Guildford, Surrey	141	2015	Nil	22.9
Scape Shoreditch**	Shoreditch, London	541	2015	49,000 sq ft	176.3
Water Lane Apartments	Water Lane, Bristol	153	2015	Nil	18.5

\* Held pursuant to a 250 year lease

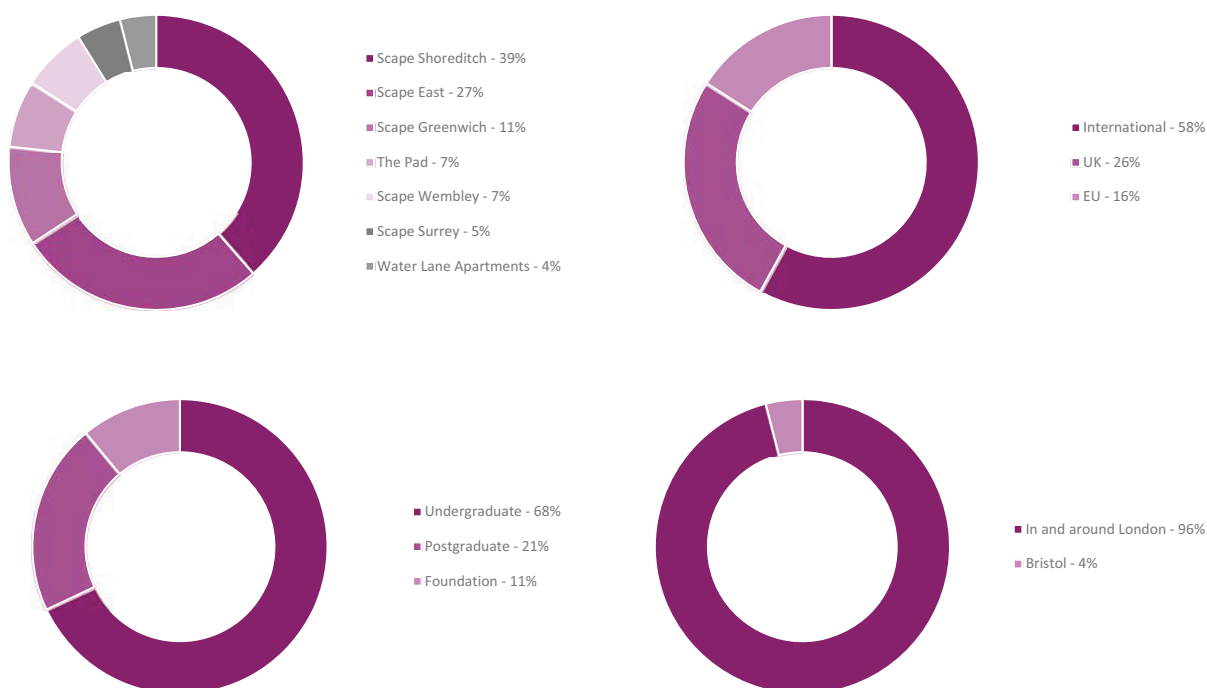
\*\* Held pursuant to a 150 year lease

**Forward funded asset under development**

Name	Location	Proposed number of beds (approx.)	Date of acquisition	Total estimated cost to completion (£ million)	Estimated completion date	Market value as at 31 December 2016 (£ million)
Scape Wembley	Wembley, London	580	June 2016	£46.8	July 2017	34.6

The site acquisition in respect of Scape Wembley has been completed. The Company will be required to make further payments under the Wembley Forward Funding Agreement in relation to the development of Scape Wembley. All payments to be made by the Company in relation to the completion of the development of Scape Wembley will be funded out of the Company's existing cash resources.

The charts below show the Group's portfolio of assets by value, student mix and location.



## 8 MARKET OUTLOOK

The UK student accommodation investment market experienced another strong year in 2016 with some £3.5 billion of properties transacted, well above long term averages, and supported by a range of UK and overseas based long term investors.

Transactional volumes, coupled with another year of growth in student acceptances for the 2016/17 academic year, suggest the student residential accommodation market has not been materially impacted by the result of the UK 'Brexit' referendum in the short term.

Whilst the long-term implications of the result of the UK referendum remain unknown, it is the Board's current expectation that 'Brexit' will not have a material impact on the performance of the Group's investments. The portfolio is focused primarily on student accommodation assets in and around London, which has the largest student population of any city in the UK, and continues to position the Company to benefit from strong structural supply and demand imbalances. Demand by overseas students for private sector student accommodation in and around London is likely to remain resilient relative to the rest of the UK, given the international perception of London as a cosmopolitan, multicultural and global centre of learning. Depreciation in the value of Sterling may further enhance the relative attractions of a UK based degree for overseas students.

The Company, through its Investment Manager, continues to see high quality opportunities in the student residential accommodation market which it believes are strongly positioned to benefit from the core supply/demand imbalance characteristics which the Company seeks to identify in potential investments. Such characteristics ultimately support the longer-term sustainability and growth prospects of the underlying rental income from each asset. Accordingly, the Board and the Investment Manager remain confident that investor interest in the Company's student accommodation portfolio will continue due to its defensive income qualities as well as the prospect for continued rental growth.

## 9 PIPELINE

The Investment Manager is currently reviewing and conducting due diligence on assets in the Company's core markets, totalling c.2,800 studios and beds, which include:

- c.180 studios and beds in relation to the acquisition of Podium under the Forward Purchase Agreement (in relation to which further details are set out below);
- c.800 studios and beds in relation to two assets located in and around London and which are available to the Company under the Pipeline Agreement (in relation to which further details are set out below); and
- c.400-500 studios and beds which are undergoing advanced due diligence further to an exclusivity agreement in respect of a private student residential accommodation asset located in a prime central London position (the "**Target Asset**"), as announced on 25 January 2017. The Investment Manager has identified multiple asset management opportunities in respect of the asset which, if acquired, will be refurbished to the high specification typical of the Group's standing assets and the Scape Student Living brand. It is currently envisaged that the refurbishment would be completed ahead of the 2018/19 academic year. Post the refurbishment the Target Asset would have a net initial yield broadly consistent with the Group's prime London asset Scape Shoreditch and the Investment Manager would expect it to be, on full occupancy, earnings and dividend cover accretive. It is currently intended that the acquisition of the Target Asset would be funded through a mixture of debt and the proceeds of the Initial Issue.

The Investment Manager believes these assets may be suitable for the Company's portfolio and are in locations in and around London, which it believes will benefit from attractive and sustainable rental growth underpinned by supportive supply/demand characteristics.

As at the date of this document, the Group has conditionally agreed to acquire Podium, Royal Holloway London, under the terms of the Forward Purchase Agreement. Podium is a high specification, purpose-built, private student accommodation residence adjacent to Royal Holloway, University of London. The property is expected to be completed for the 2017/18 academic year providing approximately 180 beds and is in the same locality as The Pad, which comprises two buildings with c.220 beds currently owned by the Group. The Pad is fully occupied on 51 week tenancies for the 2016/17 academic year.

The Forward Purchase Agreement is conditional, *inter alia*, on the fulfilment of a number of conditions including practical completion of the building works, expected to be completed for the 2017/18 academic year, receipt of satisfactory building survey and the building achieving bedroom lettings of 75 per cent. or more. In the event that the conditions of the Forward Purchase Agreement are not met, the Group shall be under no obligation to proceed with the acquisition of Podium. As at the date of this document these conditions have not been met. In the event such conditions are met, the Group will be required to proceed with the acquisition of Podium within 12 months of the date on which all such conditions have been met. The Directors do not currently envisage that the conditions will be satisfied, if they are satisfied, prior to September 2017. If the Group proceeds with the acquisition of Podium, the acquisition will be funded through the Group's existing cash resources at the relevant time, debt and/or equity, which may include the Initial Issue or any Placing under the 2017 Placing Programme.

Details of the Forward Purchase Agreement are set out at paragraph 6.8 of Part 8 of this document.

Under the terms of the Pipeline Agreement, Scape Student Living has undertaken to use its reasonable endeavours to ensure that the owner or owners of the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and branded under the 'Scape Student Living' brand enter into right of first offer agreements in respect of such assets as soon as practicable following their practical completion. Subject to the relevant owner or owners entering into a right of first offer agreement and subject to completion of satisfactory due diligence and obtaining an independent third party valuation in accordance with the Company's valuation policy (see paragraph 12 of this Part 1 below), funding, agreement on price and the Investment Manager's recommendation, the Group will seek to acquire those developments that are consistent with the investment objective and investment policy of the Company.

Further details of the Pipeline Agreement are set out at paragraph 6.12 of Part 8 of this document.

## 10 COMPETITIVE ADVANTAGES

The Directors believe that the Company has a number of competitive advantages including:

- *demonstrable total return characteristics*: through a combination of increasing property valuations and above-RPI rental income growth from its portfolio, the Company has delivered capital appreciation and growing dividends for its Shareholders, as evidenced by annualised share price total returns (with dividend income reinvested) in the period from IPO Admission to the Latest Practicable Date of 15 per cent.;
- *London focus*: demand for private student accommodation is increasing while supply remains constrained. Approximately 35 per cent. of all students in UK HEIs study in and around London. Furthermore, in 2015 London had the largest number of international students of any city in the world. Circa 58 per cent. of the students in the Company's portfolio assets are international, with 96 per cent. of the Group's standing property portfolio (by value) located in and around London;
- *access to investment opportunities*: the Investment Manager has access to investment opportunities through established industry contacts and extensive knowledge of the sector and the Company may benefit from the Forward Purchase Agreement and the Pipeline Agreement in relation to the potential acquisition of further student residential properties;
- *extensive expertise*: the Group has extensive expertise in the construction, design, operation and financing of student residential and educational properties through its relationships with Scape Student Living and the Investment Manager and its relationships with the principals of Grosvenor House Group Limited and Event Investments Limited who provide significant expertise in site finding, land assembly and planning and student residential development and design;
- *development and design expertise*: Scape Student Living and its senior management team have over 30 years' experience of locating and identifying student residential and educational property sites and student residential developments globally, including in and around London, and a demonstrable track record in optimising design, room layout and pricing for student accommodation development;

- *brand power*: the Directors believe that the Group benefits from the 'Scape Student Living' brand which is a well-known student accommodation brand with established links to all of London's HEIs and with a growing presence and awareness throughout Asia and the Middle East; and
- *access to financing*: the Investment Manager and its partners have a track record in securing debt for numerous projects including in respect of substantially all of the Group's property portfolio.

## 11 INVESTMENT PROCESS

The Investment Manager undertakes a highly rigorous and selective investment process, broadly as described below:

### 11.1 Sourcing investments

The senior management of the Investment Manager have a long background in advising on transactions involving student accommodation and educational assets and have established close relationships with many of the key participants in the UK student residential market, including relevant property agents, Scape Student Living, Event Investments Limited and the principals of Grosvenor House Group Limited.

### 11.2 Review and approval

The Investment Manager performs an initial review of all investment opportunities which take into account the following considerations:

- *location*: focus on assets which benefit from supply/demand imbalances in the purpose built student accommodation market within close proximity of an HEI and/or major transport hub. Additional consideration is given to the suitability of the property to the characteristics of the local student market;
- *security of rental income*: strong rental protection and growth characteristics driven by student numbers, supply/demand characteristics and/or nominations agreements;
- *inflation linkage*: assets are sought with sufficient inflation linkage potential to provide inflation protection and offer income growth prospects;
- *modern build*: focus is on modern properties typically with interior designed finishes and hotel style communal facilities and services, or which may be redeveloped as such;
- *financing*: gearing levels which must be consistent with the Company's policy on borrowings and maturity profile of gearing;
- *fit within existing portfolio*: any portfolio synergies and impact on dividend yield and long term total return target; and
- *overall market conditions*: the outlook for the student residential sector taking into account wider market conditions and sentiment in the sector.

Where the Group enters into hard nominations agreements or long term leases and/or licences with HEI counterparties, the Investment Manager conducts financial due diligence on such counterparties to seek to ensure that they are competent and financially stable. Where appropriate, the Investment Manager may complement its analysis through the use of professional third party advisers.

The Investment Manager prepares a transaction proposal which includes an outline term sheet and business plan for the proposed acquisition including details of any potential conflicts of interest. This transaction proposal is submitted to the Directors for approval.

Based on the transaction proposal, the Directors determine whether detailed financial, legal and technical due diligence should be carried out by the Investment Manager.

### 11.3 Investment monitoring

The Investment Manager continually monitors the progress of the Group's investments. This includes regular site visits and the Asset and Facilities Managers reporting to the Investment Manager on a property-by-property basis. The Investment Manager updates the Directors on the progress of the Group's investments on a quarterly basis with additional formal contact being made where significant events have occurred which may impact the Group's income, expenditure or asset value.

#### 11.4 Holding and exit strategy

The Company's investment holding period and the exit strategy depends on the underlying properties, current and projected occupancy levels, transaction structure, exit opportunities and size of the Company's investment. While the Directors intend to hold the Company's investments on a long term basis, the Company may dispose of investments outside this timeframe should an appropriate opportunity arise where, in the Investment Manager's opinion (with the approval of the Directors), the value that could be realised from such disposal would represent a satisfactory return on the initial investment and/or otherwise enhance the value of the Company, taken as a whole.

### 12 VALUATION

The Directors use the independent Valuer, or another professional independent valuer of equivalent standing, as property valuer to the Group. Full valuations of the Group's properties are conducted annually as at 30 September. Interim desktop valuations are also performed on a quarterly basis. The valuations of the Group's properties are at fair value as determined by the independent Valuer on the basis of market value in accordance with the internationally accepted RICS Appraisal Standards. The Valuer has produced a valuation report in relation to the Group's current property portfolio valuing such portfolio as at 31 December 2016 which is set out at Part 6 of this document.

Details of each quarterly valuation, and of any suspension in the making of such valuations, are announced by the Company on a Regulatory Information Service approved by the FCA as soon as practicable after the end of the relevant quarter.

### 13 CALCULATION OF NAV

The NAV (and NAV per Share) is calculated quarterly by Capita Sinclair Henderson Limited, as administrator to the Company. Calculations are made in accordance with IFRS or as otherwise determined by the Board.

Details of each quarterly valuation, and of any suspension in the making of such valuations, are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. The calculation of the NAV will only be suspended in circumstances where the underlying data necessary to value the investments of the Group cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system failure of the administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations are announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

As at close of business on 31 December 2016, the unaudited estimated NAV per Share was 138.17 pence. The NAV includes income for the period (cum income) and does not include a provision for an accrued dividend for the quarter to 31 December 2016.

The NAV (ex-income) was 136.74 pence per Share as at that date.

### 14 MEETINGS, REPORTS AND ACCOUNTS

The audited accounts of the Company are prepared in Sterling under IFRS. The Company's annual report and accounts are prepared up to 30 June each year. Copies of the report and accounts are typically sent to Shareholders by the end of October each year. The Company also publishes an unaudited half-yearly report covering the six months to December each year.

The Company currently intends to hold its next annual general meeting during October 2017.

### 15 SHARE CAPITAL MANAGEMENT

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

#### 15.1 Discount Control

##### *Continuation resolutions*

The Articles provide that the Directors are required to propose an ordinary resolution that the Company continues its business as presently constituted (the "**Continuation Resolution**") (i) at the fifth annual general meeting of the Company in 2018; and (ii) at each third annual general meeting of the Company thereafter.



If any Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval.

### **Share buy-backs**

The Directors will consider repurchasing Shares in the market if they believe it to be in Shareholders' interests as a whole and as a means of correcting any imbalance between supply of and demand for the Shares.

A special resolution has been passed granting the Directors authority to repurchase up to 39,243,072 Shares during the period expiring on the conclusion of the earlier of the Company's next annual general meeting in 2017 and 31 December 2017. Renewal of this buy-back authority will be sought at each annual general meeting of the Company.

The Directors will have regard to the Company's REIT status when making any repurchase and will only make such repurchase through the market at prices (after allowing for costs) below the relevant prevailing NAV per Share and otherwise in accordance with guidelines established from time to time by the Board. Purchases of Shares may be made only in accordance with the Companies Act, the Listing Rules and all other applicable legal and regulatory requirements. Under the current Listing Rules, the maximum price (exclusive of expenses) which may be paid for a Share must not be more than the higher of: (i) five per cent. above the average of the mid-market values of the Shares for the five Business Days before the purchase is made; or (ii) that stipulated by the regulatory technical standards adopted by the EU pursuant to the Market Abuse Regulation.

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

### **15.2 Issuance of new Shares**

The Directors have authority to issue up to 200 million Shares on a non-pre-emptive basis pursuant to the authorities given by Shareholders in a general meeting of the Company held on 31 January 2017. Such authority will expire on 16 February 2018.

The Directors also have authority to issue Shares up to an aggregate nominal value of £261,795 on a non-pre-emptive basis, pursuant to the authorities granted at the Company's annual general meeting held on 27 October 2016.

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

### **15.3 Treasury Shares**

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

The Board currently intends only to authorise the sale of Shares from treasury at prices at or above the prevailing published NAV per Share (plus costs of the relevant sale). This should result in a positive overall effect on Shareholders if Shares are bought back at a discount and then sold at a price at or above the NAV per Share (plus costs of the relevant sale).

## **16 CAPITAL STRUCTURE**

The Company's capital structure consists of Shares. The rights attaching to the Shares to be issued pursuant to the Initial Issue and any Placing under the 2017 Placing Programme are set out in the Articles and summarised below.

The Shares carry the right to receive the profits of the Company available for distribution at such times as the Directors may determine in accordance with the Articles.

On a winding-up, the surplus capital and assets of the Company shall be divided amongst the holders of Shares *pro rata* according to the nominal capital paid up on their holdings of Shares.

Holders of Shares have the right to receive notice of, and to attend and vote at, general meetings and class meetings of the Company. Each holder of Shares who is present in person (or, being a corporation, by representative) or by proxy at a general meeting or a class meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of each Share held by him.

## **17 REIT STATUS AND TAXATION**

Potential investors are referred to Part 7 of this document for details of the REIT regime and taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

## **18 RISK FACTORS**

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 19 to 30.

## PART 2

### DIRECTORS, MANAGEMENT AND ADMINISTRATION

#### 1 DIRECTORS

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Investment Manager and the Asset and Facilities Managers. All of the Directors are non-executive and are independent of the Investment Manager and the Asset and Facilities Managers.

The Asset and Facilities Managers are responsible for the day-to-day management of the Group's standing assets. Scape Student Living has also been appointed as the development manager in respect of Scape Wembley.

The Directors meet at regular Board meetings, at least six times a year and at least once a quarter, with additional meetings arranged as necessary. The audit committee of the Company also meets at least six times a year and at least once a quarter. In the financial year ended 30 June 2016 the Directors met 20 times.

The Directors are as follows:

#### ***Robert Henry Haldane Peto (Chairman) (aged 66)***

Mr Peto is non-executive chairman of Standard Life Investments Property Income Trust Limited and non-executive chairman of DTZ Investment Management Limited ("**DTZI**"), the regulated arm of DTZ Investors which he founded in 1992. DTZI now has over £4 billion of assets under management. Mr Peto chairs a number of investment committees for property funds, is a consultant to Insight Investment Limited in respect of its commercial real estate debt programme and is a non-executive director of Lend Lease Europe GP Limited (Retail Fund), Western Heritable Company Limited and the commercial subsidiary of the Royal Bath & West Society. He was Global President of RICS in 2010/11, a member of the Bank of England Property Advisory Group from 2007 to 2011, chairman of DTZ UK from 1998 to 2008 and a member of the board of DTZ Holdings plc from 1998 to 2009.

Mr Peto was appointed as a Director of the Company on 9 April 2013.

#### ***Robert Malcolm Naish (aged 63)***

Mr Naish is a non-executive director and chairman of Ground Rents Income Fund plc and Target Healthcare REIT Limited. He was head of real estate at Scottish Widows Investment Partnership ("**SWIP**") until 2012 with responsibility for a portfolio of commercial property assets spanning the UK, Continental Europe and North America, and SWIP's real estate investment management business. He has over 40 years' experience of working in the real estate industry and qualified as a Chartered Surveyor in 1976. Immediately prior to joining SWIP in 2007, Mr Naish was director and head of DTZ Investment Management, where he also led new business development in the UK and international markets. He was a founding partner of Jones Lang Wootton Fund Management and UK managing director of LaSalle Investment Management. In 2002, he co-founded Fountain Capital Partners, a pan-European real estate investment manager and adviser. Mr Naish was also chairman of the Scottish Property Federation for 2010/11. He now holds a number of non-executive directorships and roles in the charity sector.

Mr Naish was appointed as a Director of the Company on 9 April 2013.

#### ***Peter William Dunscombe (aged 67)***

Mr Dunscombe is a non-executive director of Murray International Trust plc and HgCapital Trust plc. He joined a London firm of stockbrokers in the early 1970s to carry out economic and company research. After five years, he joined Imperial Group in their in-house pension fund management team and later became joint managing director of Imperial Investments Limited. Mr Dunscombe joined BBC Pension Trust Limited where he was head of pension investments until 2011. He is a member of the investment committees of The Pensions Trust, Reed Elsevier Pension Fund, St James's Place plc and the Nuffield Foundation.

Mr Dunscombe was appointed as a Director of the Company on 9 April 2013.

### ***Marlene Wood (aged 54)***

Mrs Wood is a chartered accountant with a broad range of experience in both private and public sectors and is currently a non-executive director and chair of the audit committee of RM Secured Direct Lending PLC. She is a non-executive director and chair of the audit committee for the Scottish Funding Council for Further and Higher Education and also sits on their remuneration committee. Mrs Wood was chair of the audit committee for the University of the Highlands and Islands until 2014. She spent 20 years with the Miller Group, a major UK property business, predominantly as finance director for Miller Developments, the property development and investment arm, and latterly as group accounting and treasury director. Mrs Wood is currently non-executive director and treasurer for One Parent Families Scotland.

Mrs Wood was appointed as a Director of the Company on 23 March 2015 and was appointed as chair of the audit committee on 21 July 2015.

All Directors are non-executive and independent of the Investment Manager.

## **2 MANAGEMENT OF THE COMPANY**

### **2.1 Investment Manager**

The Company receives investment advice and management services from the Investment Manager, Gravis Capital Partners LLP. The Investment Manager acts as the Company's AIFM for the purposes of the AIFMD. The Investment Manager was incorporated in England and Wales on 14 October 2007 under the Limited Liability Partnership Act 2000 (registered number OC332060) and is authorised and regulated by the FCA (registration number 487393). The Investment Manager has day-to-day responsibility for the control and supervision of the Asset and Facilities Managers.

The Investment Manager was formed with a view to developing a specialist infrastructure advisory boutique. This business model was amended to focus specifically on fund management, principally on income generating defensive sectors central to the UK's social and community infrastructure. The Investment Manager has advised on student accommodation and educational assets since its formation and its senior management team have combined experience of over 30 years in the sector. In the last ten years the partners of the Investment Manager have advised on the financing, development, acquisition and management of student accommodation and educational property assets with a value in excess of £500 million.

As at 31 December 2016, the Investment Manager had total assets under management of c.£1.6 billion, including three closed-ended investment companies admitted to the premium segment of the Official List and traded on London Stock Exchange's main market for listed securities – the Company, GCP Infrastructure Investments Limited and GCP Asset Backed Income Fund Limited and which, as at the Latest Practicable Date, all traded at a premium to their respective net asset valuations.

### ***Investment Management Agreement***

The Investment Manager has been given, pursuant to the terms of the Investment Management Agreement, sole responsibility for the management of the Group's assets in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors. The Investment Manager acts as the Company's AIFM for the purpose of the AIFMD and has day-to-day responsibility for the control and supervision of the Asset and Facilities Managers.

The Investment Manager is entitled to receive from the Company: (i) a management fee which is calculated and paid quarterly in arrears at an annual rate of one per cent. of the prevailing NAV; and (ii) a £22,500 per annum fee in relation to the Investment Manager's services provided in its role as the Company's AIFM.

The Investment Management Agreement is terminable by the Company on not less than 12 months' written notice to the Investment Manager at any time, such notice to expire no earlier than 21 September 2021, and is terminable by the Investment Manager on not less than 12 months' written notice to the Company at any time, such notice to expire no earlier than 31 October 2025. If the ordinary resolution to continue the Company's business as presently constituted, to be proposed at the fifth annual general meeting of the Company in 2018, is not passed, then the Investment Management Agreement will be terminable upon 24 months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager.

The Board has been notified of the Investment Manager's intention, subject to regulatory approval, to transfer its fund management and advisory business from the existing limited liability partnership to a newly incorporated management company under substantially the same ownership as the current limited liability partnership. Accordingly, it is currently anticipated that the Investment Management Agreement will be novated to the new management company in Q2 2017. Under the novation agreement, the new management company will assume liability for all acts and omissions of the existing limited liability partnership vehicle under the Investment Management Agreement.

## **2.2 The Asset and Facilities Managers**

### ***Scape Student Living***

The Group has appointed Scape Student Living as the asset and facilities manager in relation to the Scape Standing Assets pursuant to which Scape Student Living provides asset and facilities management services in connection with the Scape Standing Assets (including sales, marketing (including social media) and brand and general facilities management). Scape Student Living also has overall responsibility for the supervision and provision of asset management services through the oversight and management of the Group's employees and is responsible for the procurement and supervision of the facilities management services in connection with the Scape Standing Assets.

Scape Student Living also acts as the development manager in respect of Scape Wembley, and will be appointed as the asset and facilities manager in respect of that property on or around completion of the development.

The Company has agreed to appoint Scape Student Living to act as the asset and facilities manager of any projects that are the subject of the Pipeline Agreement which are acquired by the Group.

Under the terms of the Scape Agreements, Scape Student Living is entitled to a fee which is calculated and paid quarterly in arrears and is equal to one-quarter of the Investment Manager's management fee attributable to the relevant asset. The Investment Manager is responsible for the payment of fees to Scape Student Living out of its investment management fees.

Scape Student Living has been appointed as the asset and facilities manager of each of the Scape Standing Assets for initial terms of five years (in the case of Scape East, Scape Shoreditch, Scape Surrey and Scape Greenwich) from the start of the 2015 academic year and an initial term of four years (in the case of The Pad) from the start of the 2016 academic year, thereafter being terminable upon twelve months' written notice (such notice not to be served prior to the end of the 2019 academic year) and at any time by either party in certain circumstances, including on the part of the Group in the event of the insolvency of Scape Student Living or in the event of a material breach by Scape Student Living of the relevant agreement which, if capable of remedy, is not remedied within 30 days of the Group serving a notice on Scape Student Living detailing the breach and requiring it to be remedied.

Scape Student Living has a number of professional accreditations including: Accreditation Network UK, National Code, UK Council for International Student Affairs and the Association for Student Residential Accommodation.

Scape Student Living is owned by its senior management and certain partners of the Investment Manager. The owners have extensive experience in site finding, land assembly and planning, design, development, financing and operation of student residential and educational property assets.

### **Collegiate Accommodation Consulting Limited**

Collegiate has been appointed by the Group to provide asset and facilities management services (including sales, marketing, facilities and brand management) in relation to Water Lane Apartments pursuant to the terms of the Collegiate Agreement.

Collegiate is a provider and manager of numerous student accommodation locations and facilities throughout the UK.

Under the terms of the Collegiate Agreement, Collegiate is entitled to an asset management fee, payable by the Company, of 5.5 per cent. of the total rental income collected by Collegiate per annum in respect of Water Lane Apartments. The initial term of the Collegiate Agreement is 16 December 2014 to 1 September 2017, following which, subject to any other right of termination

and notice contained in the Collegiate Agreement, it will be renewed on an annual basis in respect of a financial year (being 1 September to 31 August).

### **3 OTHER ARRANGEMENTS**

#### **3.1 Administrators**

##### **Capita Sinclair Henderson Limited**

Capita Sinclair Henderson Limited has been appointed as the administrator to the Company and its onshore subsidiaries. It provides the day-to-day administration of the Company. It is also responsible for the Company's general administrative functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records. Under the terms of its administration agreement, Capita Sinclair Henderson Limited is entitled to an administration fee of £83,500 per annum (exclusive of VAT). The administration agreement is terminable upon six months' written notice.

##### **Belasko Administration Limited**

Belasko Administration Limited has been appointed as administrator to the Company's offshore subsidiaries and provides the day-to-day administration for these entities.

Under the terms of its administration agreements, Belasko Administration Limited is entitled to an administration fee of £95,600 per annum (exclusive of VAT). The administration agreements are terminable upon three months' written notice.

#### **3.2 Secretary**

Capita Company Secretarial Services Limited has been appointed by the Company to provide company secretarial functions required by the Companies Act. The Secretary is entitled to a company secretarial fee of £60,000 per annum (exclusive of VAT) in respect of the Company, £1,750 per annum (exclusive of VAT) in respect of each onshore subsidiary and an additional fee of £2,000 per annum (exclusive of VAT) payable in respect of GCP Operations Limited, subject to an annual RPI increase. The secretarial agreement is terminable upon six months' written notice.

#### **3.3 Registrar**

The Company utilises the services of Capita Asset Services as registrar in relation to the transfer and settlement of Shares held in uncertificated form. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.70 per Shareholder account per annum, subject to a minimum fee of £5,156 per annum (exclusive of VAT). The fee is subject to increase in line with RPI. The Registrar is also entitled to activity fees under the Registrar Agreement. The Registrar Agreement may be terminated on six months' notice.

#### **3.4 Depositary**

Langham Hall UK Depositary LLP has been appointed as Depositary to the Company. The Depositary is responsible for: (i) ensuring the Company's cash flows are properly monitored; (ii) the safe keeping of custody assets and the non-custody assets of the Company entrusted to it (which it shall hold on trust for the Company); and (iii) the oversight and supervision of the Investment Manager and the Company.

Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of £44,000 per annum, subject to annual RPI increase. The Depositary Agreement is terminable by either the Company and/or the Investment Manager or the Depositary giving to the other not less than six months' written notice.

#### **3.5 Auditor**

Ernst & Young LLP provides audit services to the Group. The annual report and accounts are prepared according to accounting standards laid out under IFRS.

### **4 FEES AND EXPENSES**

On-going annual expenses of the Company will be borne by the Company including fees paid to the Directors and service providers as detailed in paragraphs 3.1 to 3.5 of this Part 2 above, travel, accommodation, printing, audit, finance costs, due diligence and legal fees. Certain reasonable out-of-pocket expenses of the Investment Manager, the Asset and Facilities Managers, the Administrators, the Secretary, the Registrar, the Depositary and the Directors relating to the Group will also be borne by the Company.

## 5 CONFLICTS OF INTEREST

The Investment Manager, the Asset and Facilities Managers or any associate, director, partner, officer, employee, agent of any of them (each an “**Interested Party**”) may be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Group. Whenever such conflicts arise, the Investment Manager shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated, fairly.

Additionally, the fact that the Interested Parties engage in other business activities may reduce the time the Investment Manager and the Asset and Facilities Managers spend managing the Group’s investments. Notwithstanding the Investment Management Agreement and the Asset and Facilities Management Agreements, the Investment Manager’s and each of the Asset and Facilities Manager’s decision to spend time on other activities besides the management of the Group’s investments could be influenced by a variety of factors, including the compensation structure of any other investment vehicles and/or business activities as compared to that of the Group.

The Investment Manager has, pursuant to the terms of the Investment Management Agreement, agreed with the Company that neither it nor, *inter alia*, any employee of the Investment Manager, may, (while the Investment Management Agreement is in force) without the express prior written consent of the Company act as the adviser, manager or sponsor of any fund or entity that may invest in assets within the scope of the Company’s investment policy or engage in any activity which may compete in the same or substantially similar investment area as the Company.

Mr Nigel Taeë is chairman and Mr Tom Ward is the chief operating officer of Scape Student Living.

The executive partners of the Investment Manager (including Mr Ward) indirectly own, in aggregate, approximately 25 per cent. of Scape Student Living. In addition to this, Mr Taeë owns approximately 25 per cent. of Scape Student Living. Mr Taeë holds a substantial minority partnership interest in the Investment Manager of whom he is a non-executive partner, and in which capacity he is excluded from any involvement in investment management activities relating to the Company.

Scape Student Living has undertaken, pursuant to the Pipeline Agreement, to use its reasonable endeavours to ensure that the owner or owners of the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and branded under the ‘Scape Student Living’ brand, enter into right of first offer agreements in respect of such assets as soon as is practicable following their practical completion.

Any assets that are acquired by the Group pursuant to the Pipeline Agreement with Scape Student Living will be acquired on the basis of independent valuations and subject to approval by the independent Board of Directors.

The Investment Manager and the Asset and Facilities Managers have confirmed that they will have regard to their obligations under their respective agreements with the Group and will otherwise act in a manner that they consider fair, reasonable and equitable having regard to their respective obligations to other clients, when potential conflicts of interest arise. Furthermore, the activities of the Investment Manager and the Asset and Facilities Managers in relation to the Group are subject to the overall direction and review of the Directors.

## 6 THE TAKEOVER CODE

The Takeover Code applies to the Company.

## 7 CORPORATE GOVERNANCE

The Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements. The Company is a member of the Association of Investment Companies (“**AIC**”) and the Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the “**AIC Code**”), by reference to the AIC Corporate Governance Guide for Investment Companies (the “**AIC Guide**”). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance

Code), will provide better information to Shareholders. The Company complies with the recommendations of the AIC Code, the relevant provisions of the UK Corporate Governance Code (except as set out below) and associated disclosure requirements of the Listing Rules.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide the Board considers these provisions are not relevant to the Company, being an externally managed investment company with an entirely non-executive board. The Company has, therefore, not reported in respect of these provisions.

Peter Dunscombe is the senior independent director of the Company.

The Company's audit committee is chaired by Mrs. Wood and consists of all the Directors with the exception of the Chairman and meets at least six times a year and at least once a quarter. The Board considers that the members of the audit committee have the requisite skills and experience to fulfil the responsibilities of the audit committee. The audit committee examines the effectiveness of the Group's control systems. It reviews the half-yearly and annual reports and receives information from the Investment Manager. It also reviews the scope, results, cost effectiveness, independence and objectivity of the external auditor.

The management engagement committee of the Company is chaired by Mr. Naish. The management engagement committee meets at least once a year or more often if required. Its principal duties are to review the performance and the continuing appointment of all service providers of the Company including the Investment Manager. The committee also considers any variation to the terms of all service providers' agreements and reports its findings to the Board.

The Company has established a remuneration committee to deal with matters of Directors' remuneration. In particular, the committee, in conjunction with the Board, will agree the framework for the Directors' remuneration, review the ongoing appropriateness and relevance of the remuneration policy and consider the need to appoint external remuneration consultants. The first meeting of the committee was held in July 2016 and, in future, the committee will meet at least once a year.

In accordance with the Market Abuse Regulation, the Board has formed a disclosure committee, comprising all Directors and chaired by Mr Peto, to ensure the identification and disclosure of inside information and the Company's ongoing compliance with the Market Abuse Regulation.



## PART 3

### THE INITIAL ISSUE

#### 1 INTRODUCTION

Up to 200 million Shares may be issued, in aggregate and on a non pre-emptive basis, pursuant to the Initial Issue and the 2017 Placing Programme.

The Company is targeting raising gross proceeds in excess of £60 million pursuant to the Initial Issue. A maximum of 64,285,715 Shares will be issued pursuant to the Initial Issue, representing maximum gross proceeds thereunder of £90 million.

#### 2 INITIAL ISSUE

##### 2.1 Overview

Shares are being made available under the Initial Issue, at the Initial Issue Price, by way of the Offer for Subscription and the Initial Placing. Shares are being made available under the Initial Placing on and subject to the terms and conditions set out in Part 10 of this document. Shares are being made available under the Offer for Subscription on and subject to the terms and conditions set out in Part 11 of this document.

The Initial Issue is not being underwritten.

Shares issued pursuant to the Initial Issue will rank *pari passu* with the Shares then in issue (save for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the allotment and issue of the relevant Initial Issue Shares). For the avoidance of doubt, subscribers for Initial Issue Shares will not be entitled to the dividend of 1.43 pence per ordinary share declared in respect of the quarterly period ended 31 December 2016, as announced on 31 January 2017.

The Company reserves the right to decline in whole or in part any application for Shares under the Initial Issue.

##### 2.2 Initial Placing

The Initial Placing will close at 3.00 p.m. on 21 February 2017 (or such later date, not being later than 24 March 2017, as the Company and Stifel may agree). If the Initial Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

Each Placee agrees to be bound by the Articles once the Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing, have been acquired by the Placee. The contract to subscribe for the Shares under the Initial Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales.

Commitments under the Initial Placing, once made, may not be withdrawn without the consent of the Directors.

##### 2.3 Offer for Subscription

The Offer for Subscription will close at 1.00 p.m. on 21 February 2017. If the Offer for Subscription is extended, the revised timetable will be notified through a Regulatory Information Service. The terms and conditions of the Offer for Subscription set out in Part 11 of this document and the Application Form attached as Appendix 1 to this document should be read carefully before an application is made.

The aggregate subscription price is payable in full on application. Individual applications must be for a minimum subscription of 1,000 Shares and then in multiples of 100 Shares thereafter, although the Board may accept applications below the minimum amounts stated above in its absolute discretion. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

Completed Application Forms accompanied either by a cheque or banker's draft or appropriate delivery versus payment ("DVP") instructions in relation to the Offer for Subscription must be posted or delivered by hand (during normal business hours) to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received as soon as possible and, in any event, no later than 1.00 p.m. on 21 February 2017.

Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

The Offer for Subscription is being made in the UK only.

If you are a new investor, in addition to completing and returning the Application Form to Capita Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The “tax residency self-certification – individuals” form can be found at Appendix 2 of this document, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

**It is a condition of any Application under the Offer for Subscription that (where applicable) a completed version of the relevant form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Offer for Subscription Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company after the Offer for Subscription closes at 1.00 p.m. on 21 February 2017. It will then be the Company’s decision if these Application Forms can be accepted under the Offer for Subscription.**

### **3 CONDITIONS**

The allotment of Shares pursuant to the Initial Issue is conditional on:

- Initial Admission occurring by 8.00 a.m. on 24 February 2017 (or such later time and/or date, not being later than 8.00 a.m. on 29 March 2017, as the Company and Stifel may agree);
- the Minimum Gross Proceeds being raised; and
- the Placing Agreement not having being terminated in accordance with its terms.

The Directors also have the discretion not to proceed with the Initial Issue prior to the allotment of the Shares if all of the above conditions (other than Initial Admission) have been met. If the Initial Issue does not proceed, any monies received under the Initial Issue will be returned to applicants without interest.

### **4 USE OF PROCEEDS**

The net proceeds of the Initial Issue, after providing for the Group’s operational expenses, will be used to make investments in accordance with the Company’s investment policy, which may include the pipeline assets identified in paragraph 9 of Part 1 of this document, including Podium. It is the Directors current intention that the net proceeds of the Initial Issue be used to acquire the Target Asset, subject to satisfactory completion of advanced due diligence and contractual terms being agreed in an appropriate timeframe.

It is not expected that there will be any material impact on the earnings and NAV per Share, as the total net proceeds of the Initial Issue, after providing for the Company’s operational expenses, will be used to purchase investments in line with the Company’s investment policy, which may include the pipeline assets identified in paragraph 9 of Part 1 of this document.

So far as the Directors are aware as at the date of this document, no major shareholders or members of the Company’s management, supervisory or administrative bodies intend to make a commitment for Shares under the Initial Issue.

### **5 COSTS OF THE INITIAL ISSUE**

The Company will bear the fixed costs incurred in relation to the legal, advisory and regulatory matters arising in connection with the Initial Issue and the 2017 Placing Programme, which are estimated to amount to approximately 0.17 per cent. of its prevailing published NAV as at the date of this document.

Assuming gross proceeds of £60 million are raised, the costs associated with the Initial Issue are anticipated to be approximately £0.9 million, resulting in net proceeds of approximately £59.1 million (excluding the fixed costs referred to above).

By issuing Shares at a premium to their prevailing NAV intended to at least cover the costs and expenses of the Initial Issue (including, without limitation, any commissions), such fees and expenses in relation to the Initial Issue will be indirectly borne by subscribers for those Shares. Accordingly, there will be no dilution to the Company's then prevailing published NAV arising from the issuance of Shares pursuant to the Initial Issue.

## **6 WITHDRAWAL**

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

Investors under the Offer for Subscription wishing to exercise statutory withdrawal rights after the publication of a supplementary prospectus prior to Initial Admission must do so by lodging written notice of withdrawal by hand (during normal business hours only) at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by emailing [withdraw@capita.co.uk](mailto:withdraw@capita.co.uk) so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received after expiry of such period will not constitute a valid withdrawal.

## **7 PLACING AGREEMENT**

Pursuant to the Placing Agreement, Stifel has agreed to use its reasonable endeavours to procure subscribers for Shares under the Initial Issue and the Investment Manager has agreed, to use its reasonable endeavours to make introductions to potential subscribers, each on the terms and subject to the conditions set out in the Placing Agreement.

Under the Placing Agreement, the Company has agreed to pay Stifel and the Investment Manager certain fees of £160,000 and in respect of the Initial Issue aggregate commissions equal to 1.5 per cent. of the gross proceeds raised under the Initial Issue.

Stifel will be paid from such fees and commissions set out above, a fee of £50,000 for the provision of corporate finance services in relation to the Initial Issue and 2017 Placing Programme and a commission of 1.20 per cent. of the gross proceeds raised under the Initial Issue, together with any applicable VAT. Pursuant to the Placing Agreement, Stifel may rebate any part of its commissions and fees to third parties.

Any commission that Stifel receives in relation to any subscription for Shares under the Initial Issue made by the Directors, any partners or employees of the Investment Manager or Robert Austin of the Grosvenor House Group will be rebated to the relevant person.

The Board notes the additional resource committed by the Investment Manager in providing its client funds, including the Company, a more comprehensive service which it believes will strengthen the level of transaction and marketing support for the Company.

The Investment Manager will be paid from the fees and commissions set out above a fee of £110,000 in connection with the provision of transaction management and documentation services in relation to the Initial Issue and the 2017 Placing Programme and a commission of 0.30 per cent. of the gross proceeds raised under the Initial Issue, together with any applicable VAT, in connection with marketing and investor introduction services. The Investment Manager has appointed Highland Capital Partners to assist it with its marketing and investor introduction services and will pay any fees due to Highland Capital Partners out of the fees it receives from the Company. Highland Capital Partners is an independent sales, marketing and investor relations business working with brokers and fund management companies to facilitate investor introductions. The amount of the fees and commissions payable to the Investment Manager under the Placing Agreement shall be subject to a cap, such that the aggregate amount paid by the Company to the Investment Manager in any rolling 12 month period in respect of fees and commissions (save for any fees payable under the Investment Management Agreement) shall be limited to a maximum of 0.25 per cent. calculated on the lower of i) the Net Asset Value and ii) the market capitalisation of

the Company, measured as at the time payment of any such fees and commissions becomes due from time to time.

Details of the Placing Agreement are set out in paragraph 6.1 of Part 8 of this document.

## **8 GENERAL**

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

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

## **9 ADMISSION, CLEARING, SETTLEMENT AND DEALINGS**

Payment for the Shares should be made in accordance with settlement instructions contained in Part 10 or Part 11 (as applicable) of this document, or otherwise provided by or on behalf of the Company or Stifel. Applicants under the Offer for Subscription are instructed to refer to the Application Form.

Shares allotted and issued pursuant to the Initial Issue may be issued in un-certificated form and settled through CREST from Initial Admission or issued in certificated form. It is expected that share certificates for Shares issued in certificated form would be dispatched approximately two weeks after Initial Admission. No temporary documents of title will be issued.

Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

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

Application will be made to the UKLA and the London Stock Exchange for the Shares to be issued pursuant to the Initial Issue to be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. All Shares will be allotted and issued subject to Initial Admission occurring. No application will be made for the Shares to be listed or dealt in on any other stock exchange or investment exchange.

It is expected that Initial Admission will become effective and dealings in the Initial Issue Shares will commence on 24 February 2017.

## **10 CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares within the CREST system. Settlement of transactions in the Initial Issue Shares following Initial Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for Shares under the Offer for Subscription or the Initial Placing may elect to receive Shares in un-certificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **11 SCALING BACK AND ALLOCATION**

The Company will notify investors of the number of Shares in respect of which their application has been successful. An announcement of the results of the Initial Issue will be released through an RIS, including details of the number of new Shares allotted.

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

Monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the applicant from whom the money was received, within 14 days.

## **12 OVERSEAS PERSONS**

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below.

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

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements. Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

Accordingly, the Shares will not be offered, sold or delivered, directly or indirectly within the United States or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction in the United States. Save in connection with such an exemption, the Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person. Investors should additionally consider the provisions set out under the heading Important Information on page 31 of this document and the terms and conditions of a participation in the Initial Placing contained in Part 10 of this document and the terms and conditions of a participation in the Offer for Subscription contained in Part 11 of this document.

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

### ***United States transfer restrictions***

Each of Stifel and the Investment Manager warranted in the Placing Agreement that it will not offer or sell or procure the offer or sale of the Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

## **13 TYPICAL INVESTOR**

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.

## PART 4

### THE 2017 PLACING PROGRAMME

#### 1 INTRODUCTION

Up to 200 million Shares may be issued, in aggregate and on a non pre-emptive basis, pursuant to the Initial Issue and the 2017 Placing Programme.

Up to 200 million Shares, less any Shares issued pursuant to the Initial Issue, may be issued under the 2017 Placing Programme.

#### 2 THE 2017 PLACING PROGRAMME

The 2017 Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Placing Shares on appropriate occasions over a period of time. The maximum number of Placing Shares available under the 2017 Placing Programme should not be taken as an indication of the number of Placing Shares finally to be issued. The Placing Shares are being made available under the 2017 Placing Programme at the Placing Price as determined from time to time. The terms and conditions that apply to the purchase of Placing Shares under the 2017 Placing Programme are set out in Part 10 of this document.

The 2017 Placing Programme will open on 27 February 2017 and will close on the Final Admission Date. The allotment and issue of Placing Shares under the 2017 Placing Programme is at the discretion of the Directors. Allotments and issuances of Placing Shares may take place at any time prior to the Final Admission Date. An announcement of each allotment and issue will be released through an RIS, including details of the number of Placing Shares allotted and issued and the applicable Placing Price for the allotment and issue and the expected Subsequent Admission date. Shares issued under any Placing under the 2017 Placing Programme will be issued at a minimum price equal to the prevailing published NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions). In accordance with Chapter 15 of the Listing Rules of the UK Listing Authority, the Company may not issue Shares at a price below the prevailing published NAV per Share.

There is no minimum or maximum subscription in respect of any Placing under the 2017 Placing Programme.

Placings under the 2017 Placing Programme are not being underwritten and, as at the date of this document, the actual number of Placing Shares to be issued is not known. The number of Placing Shares available should not be taken as an indication of the number of Placing Shares finally to be issued.

Where new Placing Shares are issued, the total assets of the Company will increase by that number of Placing Shares multiplied by the relevant Placing Price less the expenses of such issuance.

The Placing Shares issued pursuant to the 2017 Placing Programme will rank *pari passu* with the Shares then in issue (save for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the allotment and issue of the relevant Placing Shares).

The 2017 Placing Programme will be suspended at any time when the Company is unable to issue Placing Shares under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The 2017 Placing Programme may resume when such conditions cease to exist.

#### 3 CONDITIONS

Each allotment of Shares pursuant to any Placing under the 2017 Placing Programme is conditional on:

- Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment being in place;

- the price being not less than the prevailing published NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions);
- the Company having a placing agreement or equivalent arrangement in place at the time of the issue;
- a valid supplementary prospectus being published by the Company when required; and
- Admission of the Shares issued pursuant to the allotment.

In circumstances where these conditions are not fully met, the relevant issue of Shares will not take place.

#### **4 USE OF PROCEEDS**

The net proceeds of each Placing under the 2017 Placing Programme will depend on the number of Placing Shares issued and the relevant Placing Price. By issuing Placing Shares at a premium to NAV per Share intended to at least cover the costs and expenses of the relevant placing (including, without limitation, any placing commissions), such fees and expenses in relation to any Placing under the 2017 Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, there will be no dilution to the Company's then prevailing published NAV arising from the issuance of Shares pursuant to a Placing under the 2017 Placing Programme.

The net proceeds of any Placing under the 2017 Placing Programme, after providing for the Group's operational expenses, will be used to make investments in accordance with the Company's investment policy, which may include the pipeline assets identified in paragraph 9 of Part 1 of this document, including Podium.

It is not expected that there will be any material impact on the earnings and NAV per Share, as the total net proceeds of the 2017 Placing Programme, after providing for the Company's operational expenses, will be used to purchase investments in line with the Company's investment policy, which may include the pipeline assets identified in paragraph 9 of Part 1 of this document.

So far as the Directors are aware as at the date of this document, no major Shareholders or members of the Company's management, supervisory or administrative bodies intend to make a commitment for Shares under any Placing under the 2017 Placing Programme.

#### **5 COSTS ASSOCIATED WITH THE 2017 PLACING PROGRAMME**

The net proceeds of each Placing under the 2017 Placing Programme will depend on the number of Placing Shares issued and the relevant Placing Price. By issuing Placing Shares at a premium to NAV per Share intended to cover the costs and expenses of the relevant placing (including, without limitation, any placing commissions), such fees and expenses in relation to any Placing under the 2017 Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, there will be no dilution to the Company's then prevailing published NAV arising from the issuance of Shares pursuant to a Placing under the 2017 Placing Programme.

The Company will bear the fixed costs incurred in relation to the legal, advisory and regulatory matters arising in connection with the Initial Issue and the 2017 Placing Programme, which are estimated to amount to approximately 0.17 per cent. of its prevailing published NAV as at the date of this document.

#### **6 WITHDRAWAL**

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

#### **7 PLACING AGREEMENT**

Pursuant to the Placing Agreement, Stifel has agreed to use its reasonable endeavours to procure subscribers for Shares under the 2017 Placing Programme and the Investment Manager has

agreed, to use its reasonable endeavours to make introductions to potential subscribers, each on the terms and subject to the conditions set out in the Placing Agreement.

Under the Placing Agreement, the Company has agreed to pay Stifel and the Investment Manager certain fees of £160,000 and in respect of Placings under the 2017 Placing Programme an aggregate commission equal to 1.5 per cent. of the gross proceeds raised under each Placing under the 2017 Placing Programme.

Stifel will be paid from such fees and commissions set out above, a fee of £50,000 for the provision of corporate finance services in relation to the Initial Issue and 2017 Placing Programme and a commission of 1.20 per cent. of the gross proceeds raised under each Placing under the 2017 Placing Programme, together with any applicable VAT. Pursuant to the Placing Agreement, Stifel may rebate any part of its commissions and fees to third parties.

Any commission that Stifel receives in relation to any subscription for Shares made by the Directors, any partners or employees of the Investment Manager or Robert Austin of the Grosvenor House Group pursuant to the 2017 Placing Programme will be rebated to the relevant person.

The Board notes the additional resource committed by the Investment Manager in providing its client funds, including the Company, a more comprehensive service which it believes will strengthen the level of transaction and marketing support for the Company.

The Investment Manager will be paid from the fees and commissions set out above a fee of £110,000 in connection with the provision of transaction management and documentation services in relation to the Initial Issue and the 2017 Placing Programme and a commission of 0.30 per cent. of the gross proceeds raised under each Placing under the 2017 Placing Programme, together with any applicable VAT, in connection with marketing and investor introduction services. The Investment Manager has appointed Highland Capital Partners to assist it with its marketing and investor introduction services and will pay any fees due to Highland Capital Partners out of the fees it receives from the Company. Highland Capital Partners is an independent sales, marketing and investor relations business working with brokers and fund management companies to facilitate investor introductions. The amount of the fees and commissions payable to the Investment Manager under the Placing Agreement shall be subject to a cap, such that the aggregate amount paid by the Company to the Investment Manager in any rolling 12 month period in respect of fees and commissions (save for any fees payable under the Investment Management Agreement) shall be limited to a maximum of 0.25 per cent. calculated on the lower of i) the Net Asset Value and ii) the market capitalisation of the Company, measured as at the time payment of any such fees and commissions becomes due from time to time.

Details of the Placing Agreement are set out in paragraph 6.1 of Part 8 of this document.

## **9 GENERAL**

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

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

## **10 ADMISSION, CLEARING, SETTLEMENT AND DEALINGS**

Payment for the Shares should be made in accordance with settlement instructions contained in Part 10 of this document, or otherwise provided to Placees by or on behalf of the Company or Stifel.

Shares allotted and issued pursuant to a Placing under the 2017 Placing Programme may be issued in un-certificated form and settled through CREST from the relevant Subsequent Admission or issued in certificated form. It is expected that share certificates for Shares issued in certificated form would be dispatched approximately two weeks after the Subsequent Admission of the relevant Shares. No temporary documents of title will be issued.

Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.



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

Application will be made to the UKLA and the London Stock Exchange for the Shares to be issued pursuant to any Placing under the 2017 Placing Programme to be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. All Shares will be allotted and issued subject to the relevant Subsequent Admission of such Shares occurring. No application will be made for the Shares to be listed or dealt in on any other stock exchange or investment exchange.

It is expected that any Subsequent Admission in respect of Placing Shares issued under the 2017 Placing Programme will become effective and dealings in the Placing Shares issued pursuant to any Placing under the 2017 Placing Programme will commence during the period from 27 February 2017 to the Final Admission Date.

## **11 CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares within the CREST system. Settlement of transactions in the Shares following any Subsequent Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for Shares under the 2017 Placing Programme may elect to receive Shares in un-certificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **12 SCALING BACK AND ALLOCATION**

The Company reserves the right to decline in whole or in part any application for Shares.

The Company will notify investors of the number of Shares in respect of which their application has been successful. An announcement of each allotment under the 2017 Placing Programme will be released through an RIS, including details of the number of new Shares allotted and the Placing Price for the allotment.

The aggregate maximum number of Shares available under the 2017 Placing Programme is 200 million. In the event that applications for Shares to be issued pursuant to any Placing were to exceed a level that the Directors determine, in their absolute discretion at the time of closing of that Placing, to be the appropriate maximum size of that Placing and, in any event, if applications under any Placing under the 2017 Placing Programme were to exceed the maximum number of Shares available under the 2017 Placing Programme, it would be necessary to scale back applications under the relevant Placing. The Company reserves the right, after consultation with Stifel and the Investment Manager, to scale back applications in such amounts as it considers appropriate.

Monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the applicant from whom the money was received.

## **13 OVERSEAS PERSONS**

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below.

The offer of Shares pursuant to the 2017 Placing Programme to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares under any Placing under the 2017 Placing Programme. It is the responsibility of all Overseas Persons receiving this document and/or wishing to subscribe for Shares under any Placing under the 2017 Placing Programme to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements. Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

Accordingly, the Shares will not be offered, sold or delivered, directly or indirectly within the United States or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction in the United States. Save in connection with such an exemption, the Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person. Investors should additionally consider the provisions set out under the heading Important Information on page 31 of this document and the terms and conditions of a participation in the 2017 Placing Programme contained in Part 10 of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares under any Placing under the 2017 Placing Programme if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

#### ***United States transfer restrictions***

Each of Stifel and the Investment Manager warranted in the Placing Agreement that it will not offer or sell or procure the offer or sale of the Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

#### **14 TYPICAL INVESTOR**

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.

## PART 5

### FINANCIAL INFORMATION ON THE GROUP

#### 1 AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL PERIOD FROM THE COMPANY'S INCORPORATION TO 30 JUNE 2014, THE FINANCIAL PERIOD FROM 1 JULY 2014 TO 30 JUNE 2015 AND THE FINANCIAL PERIOD FROM 1 JULY 2015 TO 30 JUNE 2016

Audited consolidated financial statements of the Group for the financial period from the Company's incorporation to 30 June 2014, from 1 July 2014 to 30 June 2015 and from 1 July 2015 to 30 June 2016 in respect of which the Company's auditor, Ernst & Young LLP, Chartered Accountants and Statutory Auditor, of 1 More Place, London SE1 2AF, has given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Group as at 30 June 2014, 30 June 2015 and 30 June 2016 respectively and its profits for the periods then ended, have been properly prepared in accordance with the Companies Act, have been delivered to Companies House and are incorporated into this document in full by reference to the same.

Save for the historical information of the Group from the Company's incorporation to 30 June 2016 set out below and incorporated by reference, in paragraph 2 of this Part 5, none of the information in this document has been audited. Unless otherwise indicated, all unaudited financial information relating to the Group contained in this document has been sourced, without material adjustment, from the internal accounting records of the Group which are maintained by the Administrators on the Group's behalf on a basis consistent with the Company's accounting policies.

#### 2 AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL PERIOD FROM THE COMPANY'S INCORPORATION TO 30 JUNE 2014, THE FINANCIAL PERIOD TO 30 JUNE 2015 AND THE FINANCIAL PERIOD TO 30 JUNE 2016

##### 2.1 Historical financial information

The audited consolidated financial statements of the Group for the financial period from the Company's incorporation to 30 June 2014 and the financial periods ended 30 June 2015 and 30 June 2016, which have been incorporated in this document by reference, include the information specified in the tables below. Where the audited consolidated financial statements of the Group for the financial period from the Company's incorporation to 30 June 2014 and the financial periods ended 30 June 2015 and 30 June 2016 make reference to other documents, such other documents are not incorporated into and do not form part of this document.

<b>Nature of information</b>	<b>Audited consolidated financial statements of the Group for the period from 1 July 2015 to 30 June 2016</b> Page no(s)	<b>Audited consolidated financial statements of the Group for the period from 1 July 2014 to 30 June 2015</b> Page no(s)	<b>Audited consolidated financial statements of the Group for the period from the Company's incorporation to 30 June 2014</b> Page no(s)
Statements of Comprehensive Income	64	59	54
Statements of Financial Position	65	60	55
Statements of Changes in Equity	66	61	56
Statements of Cash Flows	67	62	57
Notes to the Financial Statements	68	64	58
Report of the Independent Auditor	58	56	51
Chairman's Statement	4	4	4
Director's Report	52	38	34

## 2.2 Selected financial information

The key audited figures that summarise the Group's financial condition in respect of the financial period from the Company's incorporation to 30 June 2014 and the financial periods ended 30 June 2015 and 30 June 2016 which have been extracted directly on a straightforward basis without material adjustment from the historical financial information referred to in paragraph 2.1 of this Part 5, are set out in the following table:

### *Consolidated Statement of Financial Position*

	As at or for the period ended 30 June 2016 (audited) £'000	As at or for the period ended 30 June 2015 (audited) £'000	As at or for the period ended 30 June 2014 (audited) £'000
<i>Assets and liabilities</i>			
Investment Property	424,787	177,220	151,560
Trade and other receivables	6,867	18,683	1,315
Cash and cash equivalents	66,337	106,292	3,629
Total assets	<u>498,806</u>	<u>302,503</u>	<u>157,507</u>
Trade and other payables	(6,114)	(4,819)	(2,212)
Deferred income	(5,235)	(2,442)	(2,028)
Interest bearing loans and borrowings	(128,174)	(39,569)	(39,456)
Financial liabilities at amortised cost	—	(117,422)	—
Total liabilities	<u>(140,338)</u>	<u>(164,774)</u>	<u>(44,652)</u>
Net assets	358,468	137,729	112,855
Number of Shares	261,795,015	109,910,428 (+ 120,000,000 C shares)	109,910,428
NAV per Share (pence)	136.93	125.51 (C share NAV = 97.85)	102.64

### *Consolidated Statement of Comprehensive Income*

	As at or for the period ended 30 June 2016 (audited) £'000	As at or for the period ended 30 June 2015 (audited) £'000	As at or for the period ended 30 June 2014 (audited) £'000
<i>Income and expenses</i>			
Revenue	22,482	11,505	9,132
Property operating expenses	(4,600)	(2,529)	(1,664)
Administration expenses	(5,712)	(2,001)	(2,357)
Fair value gains on investment properties	27,156	25,660	5,010
Operating profit	39,326	32,635	10,121
Finance expenses – other	(7,635)	—	—
Net gains/(losses) on valuation of cash flow hedges	214	(261)	47
Total comprehensive income for the period	<u>28,542</u>	<u>31,020</u>	<u>7,756</u>

### 2.3 Operating and financial review

The published audited consolidated financial statements of the Group for the financial period from the Company's incorporation to 30 June 2014 and the financial periods ended 30 June 2015 and 30 June 2016, which have been incorporated by reference into this document, include, on the pages specified in the table below, descriptions of the Group's financial condition (in both capital and revenue terms), details of the Group's investment activity and portfolio exposure, and changes in its financial condition for the financial period from the Company's incorporation to 30 June 2014 and the financial periods ended 30 June 2015 and 30 June 2016:

	<b>As at or for the period ended 30 June 2016 Page no(s)</b>	<b>As at or for the period ended 30 June 2015 Page no(s)</b>	<b>As at or for the period ended 30 June 2014 Page no(s)</b>
Chairman's statement	4	4	4
Strategic report	8	8	6
Strategic overview	10	10	8
Corporate governance statement	40	44	42
Review of the financial year	16	16	14
Company performance	19	19	17
Property portfolio	20	20	18

### 3 AVAILABILITY OF REPORTS AND FINANCIAL STATEMENTS FOR INSPECTION

Copies of the Company's annual report and audited accounts referred to in paragraph 2 of this Part 5 are available online at [www.gcruk.com/gcp-student-living-plc/](http://www.gcruk.com/gcp-student-living-plc/) and are also available for inspection at the address set out in paragraph 14 of Part 8 of this document. Copies of the documents are also available using the hyperlinks below:

- <https://www.gcruk.com/documentdownload.axd?documentresourceid=134>
- <https://www.gcruk.com/documentdownload.axd?documentresourceid=184>
- <https://www.gcruk.com/documentdownload.axd?documentresourceid=275>

The non-incorporated parts of the annual reports and audited accounts of the Company referred to in this Part 5 are either not relevant to investors or covered elsewhere in this document.

### 4 CAPITALISATION AND INDEBTEDNESS

The following table, sourced from the Company's internal accounting records, shows the Group's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secure and unsecured indebtedness) as at 31 December 2016 and the Company's audited capitalisation as at 30 June 2016.

Save in relation to the issue of 16,428,572 Shares on 20 December 2016 at a price of 140 pence per Share, as further described in Part 8 below, there has been no material change to the audited capitalisation of the Company since 30 June 2016 to the date of this document.

<b><i>Unaudited indebtedness as at 31 December 2016</i></b>	<b>£'000</b>
Total current debt	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt	130,000
Guaranteed	—
Secured	130,000
Unguaranteed/unsecured	—

<b>Audited Capitalisation as at 30 June 2016</b>	<b>£'000</b>
<b>Shareholder equity</b>	
Share capital	2,618
Legal reserves	—
Other reserves	239,652
<b>Total</b>	<b>242,270</b>

The following table shows the Company's unaudited net indebtedness as at 31 December 2016.

	<b>£'000</b>
A. Cash	54,710
B. Cash equivalent	—
C. Trading securities	—
D. Liquidity (A + B + C)	54,710
E. Current financial receivables	—
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	—
I. Current financial debt (F + G + H)	—
J. Net current financial debt (I – E – D)	(54,710)
K. Non-current bank loans	130,000
L. Bonds Issue	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K + L + M)	130,000
O. Net financial indebtedness (J + N)	75,290

**PART 6**  
**VALUATION REPORT**

**Knight Frank**



GCP Student Living plc  
51 New North Road  
Exeter  
EX4 4EP

Stifel Nicolaus Europe Limited  
4th Floor, 150 Cheapside  
London  
EC2V 6ET

2 February 2017

Dear Sirs

**GCP Student Living plc (the “Company”) Valuation Report as at 31 December 2016 of seven property assets**

In accordance with the terms of engagement agreed with you, we have the pleasure in reporting as follows:

**Scope of Instructions**

We are instructed to report to you our opinion as to the value of:

- Scape Shoreditch, Corsham Street, London N1 6DP (“**Scape Shoreditch**”)
- Scape East, 438 – 490 Mile End Road, London, E1 4PE (“**Scape East**”)
- Scape Greenwich, Bear Point, 2 East Parkside, London, SE10 0FQ (“**Scape Greenwich**”)
- The Pad Phase One and Phase Two, Egham, 57-71 Egham Hill, Egham, TW20 0ER (“**The Pad**”)
- Scape Surrey, 1 Kernal Court, Walnut Tree Close, Guildford, Surrey, GU1 4BUD (“**Scape Surrey**”)
- Water Lane Apartments, Temple Street, Bristol, BS1 6HS (“**Water Lane Apartments**”), and
- Apex House, Fulton Way, Wembley, HA9 (“**Apex House**”)  
(the “**Properties**”).

The Properties are held by nominee companies:

- Scape East is owned by GCP Scape East Limited,
- The Pad is owned by GCP RHUL Limited,
- Scape Greenwich is owned by Leopard Guernsey Greenwich Limited and Leopard Guernsey Greenwich 2 Limited,
- Scape Shoreditch is owned by Leopard Guernsey Old Street Limited and Leopard Guernsey Old Street 2 Limited,
- Scape Surrey is owned by GCP SG Limited,
- Water Lane Apartments is owned by GCP WL Limited,
- Apex House, Fulton Way, Wembley is owned by GCP Apex Limited,

all of which are wholly owned subsidiaries of the Company as at 31 December 2016 (the “**Valuation Date**”).

Our valuation is of the entirety of the interest held by the Company in the Properties.

## **The Purpose of the Valuation**

The valuation is required solely for the purpose of financial reporting under IFRS and for use in connection with the initial placing, offer for subscription and placing programme of ordinary shares of one pence each in the capital of the Company (the “**Shares**”) and the admission(s) of the Shares to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities (together the “**Transaction**”) and the prospectus to be issued by the Company in connection with the Transaction (the “**Prospectus**”).

## **The Properties**

Full details of the Properties are included in the appendices to this report.

The properties were inspected on the following dates:

Scape East, London – 6 July 2016

The Pad, Egham – 18 August 2015

Scape Greenwich, Greenwich – 18 August 2015

Scape Shoreditch, London – 6 July 2016

Scape Surrey, Guildford – 18 August 2015

Water Lane Apartments, Bristol – 14 January 2016

Apex House, Fulton Way, Wembley – 14 June 2016

## **Basis of Valuation**

The Properties have been valued on the basis of “Market Value” (as defined below) subject to their existing tenancies at the Valuation Date in accordance with the relevant definitions, commentary and assumptions contained in the RICS Valuation – Professional Standards 2014 Global & UK edition (the “**Red Book**”), including the International Valuation Standards and in accordance with the relevant provisions of the Prospectus Rules issued by the Financial Conduct Authority and the ESMA update of the CESR recommendations for the consistent implementation of Commission Regulation (EU) No. 809/2004 implementing the Prospectus Directive.

The valuation has been undertaken by us as External Valuers (as defined in RICS Valuation – Professional Standards). We confirm that the Valuer meets the requirements of the RICS Valuation – Professional Standards VS 1.6, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

Valuations undertaken on the basis of Market Value under RICS Valuation – Professional Standards adopt the definition and the conceptual framework settled by the International Valuation Standards Council (“**IVSC**”).

“Market Value” is defined as:

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

In Section 11 of this report, we also make reference to the valuation of the Properties for financial reporting purposes on the basis of Fair Value (as defined below), in accordance with RICS Valuation – Professional Standards and International Valuation Standards.

“Fair Value” is defined by the International Accounting Standards Board as:

*“The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date”.*

Our opinion of the Market Value of a development site (Apex House, Wembley) in its existing condition is arrived at using the residual method which is a generally accepted method for valuing properties that are considered to have possible development potential. Having formed an opinion of the value of the completed units, we deduct from it the total costs of development, an allowance for the developer’s profit and add back the build cost spend to date to arrive Market Value at a specific date in the construction timeline.



## **Tenure and Tenancies**

We have not been provided with any title documents and we have assumed for the purpose of this valuation that a good and marketable title can be shown and that the Properties are not subject to any onerous restrictions, encumbrances or outgoing. We are providing this valuation on the basis that all documentation has been satisfactorily drawn on institutionally acceptable terms, and that there are no unusual outgoing, planning proposals, onerous restrictions or local authority intentions which affect any of the Properties nor any material litigation pending.

We have been informed that Scape Greenwich is held on a 250 year lease at a peppercorn rent and Scape Shoreditch is held on a 150 year lease from July 2013 at a current passing rent of £311,057. The other properties are held freehold.

Details of the occupation agreements of each of the Properties are contained in the appendices to this report.

## **Town Planning**

We have not made formal searches in respect of the Properties, but generally relied upon verbal enquiries and any informal information received from the Local Planning Authority, together with information provided by the Company. We have assumed that the Properties have been constructed and are occupied and used in accordance with the appropriate consents and that there are no outstanding statutory notices, consent or other statutory regulations. We assume that all conditions of any Section 106 agreements have been discharged. We assume the Properties comply with all relevant statutory requirements including fire and building regulations.

## **Structure and Condition**

We have not carried out a building, structural and ground condition survey of the Properties, nor tested any services, plant or machinery. We are therefore not able to give any opinion on the condition of any existing structures and services. During our inspections, no major defects or serious items of disrepair were noted which would be likely to give rise to a substantial capital expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme. Our valuation is on the basis that there were no defects, items of disrepair or other matters that would materially affect our valuation at the Valuation Date.

## **Site Condition and Environmental Matters**

We have not investigated ground conditions. Our valuation is on the basis that there are no unidentified adverse ground or soil conditions and that the load bearing quality of the sites are sufficient to support the buildings constructed thereon and that the Properties have been constructed having appropriate regard to existing ground conditions.

We have not carried out any scientific investigations or tests to establish the existence or otherwise of any environmental contamination in relation to the Properties, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.

Subject to the above, while carrying out our valuation inspection, we have not been made aware of any uses conducted at the Properties that would give cause for concern as to possible environmental contamination. Our valuation is provided on the assumption that the Properties are unaffected.

## **Inspection**

We inspected the Properties both internally and externally on the dates detailed above.

## **Information Provided**

Our valuation is based upon the information (including in relation to tenants and tenancies, tenure, accommodation, floor areas, legal title, planning, ground conditions, and environmental issues) with which we have been supplied by the Company. We have relied upon this as being complete and correct and on there being no undisclosed matters which would affect our valuation.

When considering the covenant strength of individual tenants we did not receive any formal report and did not carry out detailed investigations as to their financial standing, but have liaised with the Company and reflected in our valuation our general understanding of purchasers' likely perception of the tenant's financial status.

We have assumed that there are no significant arrears of payment and that the tenants are capable of meeting their obligations under the terms of leases and agreements.

### **Taxation and Costs**

In accordance with market practice, we have deducted usual purchaser's costs in arriving at our opinion of Market Value, including liability to UK Stamp Duty Land Tax in accordance with Multiple Dwelling Relief as applicable at the valuation date (on the student accommodation element of the buildings).

No allowances were made for vendor's expenses of realisation or for any taxation liability arising from the sale of the Properties. Our valuations are exclusive of any VAT that may be chargeable. The Properties have been valued disregarding any mortgages or other charges.

### **Valuation of the Properties as at 31 December 2016**

#### ***Valuation Methodology***

The Market Value for the Properties have been calculated by adopting the gross Market Rent and capitalising the net income having deducted our estimate of operating costs, voids and estimated purchaser's costs.

#### ***Market Value***

We are of the opinion that the aggregate Market Value of the freehold and leasehold interests in the Properties subject to their existing occupational agreements as at the Valuation Date is:

**£465,697,500**

**(Four Hundred and Sixty five Million, Six Hundred and Ninety Seven Thousand Five Hundred Pounds)**

<i>Valuation of operational assets valued on an Investment basis (6 assets)</i>	<i>£431,067,500</i>
<i>Valuation of assets under the course of construction (Apex House, Wembley)</i>	<i>£ 34,630,000</i>

<b>Freehold</b>	<b>Long Leasehold*</b>	<b>Short Leasehold*</b>
£238,207,500 (5 properties)	£227,490,000 (2 properties)	£0 (0 properties)

\* more than 80 years unexpired

\*\* less than 80 years unexpired

Where valuation of assets is required for financial reporting purposes of an entity preparing financial statements in accordance with International Financial Reporting Standards (IFRS) the required basis of value is Fair Value, at the measurement date, in accordance with IFRS13 *Fair value measurement* issued by the International Accounting Standards Board. You have informed us that the financial statements of the Company will be prepared under IFRS. In our opinion the valuation of the Properties on the Fair Value basis (as defined in Section 3 of this report), at the same date, would not result in any difference to the value stated above on the Market Value basis.

As at 30 June 2016 the Group had total property assets of £424.8 million. The equivalent figure, as set out in this report, is £465.7 million. The increase of £40.9 million principally consists of the acquisition and ongoing construction of Apex House, Wembley of £34.6 million and an increase in the value of the Group's property assets, of £6.3 million.

The above valuation was dated 31 December 2016 and we confirm that there has been no material change in the value of the Properties as at the date of this report.

The net initial yield based on the aggregate of the individual market values as stated herein equates to 5.10% excluding the current value of Apex House Wembley.

### **Key risks relating to the valuation**

- Net income achievable is a variable dependent upon achieving estimated weekly market rents, the occupancy levels and operating costs.

- The student accommodation property sector is a growing specialised investment sector. The market remains characterised by limited transactional activity from which evidence of market levels or trends can be discerned. Accordingly, valuations in this sector rely to a greater extent upon professional judgment.
- Our valuation method involves a high degree of professional judgement. Our three key variables are net initial yields, rents/occupancy and facilities management costs. There are assumptions around each of these.
- The Properties derive their net income from lettings to students, whilst diversified in terms of numbers of individual lettings, are only secured for one year.
- The owner retains liability for operational costs which if in excess of assumed amounts could adversely affect net income receivable. The Properties will need active on-going management.
- Current and proposed new developments added to supply may impact rental growth.
- The market can be impacted by changes to Government policy and funding to Higher Education

### **Disclosure**

We confirm that Knight Frank LLP is appointed by the Company and Stifel Nicolaus Europe Limited as External Valuer, as defined in the RICS Valuation Standards as being “a valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client, or the subject of the assignment”.

We further confirm that, in relation to Knight Frank LLP’s preceding financial year, the proportion of the total fees paid by the Company to the total fee income of Knight Frank LLP was less than 5%. We recognise and support the RICS Rules of Conduct and have established procedures for identifying conflicts of interest.

We disclose that Knight Frank LLP has previously provided valuation advice to the lenders who provided development finance for the Properties. We do not consider that any conflict of interest arises for us in preparing this Valuation Report, and the Company has confirmed to us that it also considers this to be the case.

We confirm that we do not have any material interest in the Company or the Properties.

### **Responsibility**

This Valuation Report has been prepared for inclusion in the Prospectus and may not be reproduced or used in connection with any other purpose without our prior consent.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

**Neil Armstrong MRICS**  
Partner, Student Property  
For and on behalf of Knight Frank LLP

**James Woolley MRICS**  
Associate, Student Property  
For and on behalf of Knight Frank LLP

## The Properties

<b>Address</b>	<b>Scape Shoreditch, Corsham Street, London N1 6DP (“Scape Shoreditch”)</b>
<b>Location</b>	<p>The property is located in the London Borough of Hackney, on the southern side of Shoreditch. To the north west of the site is iQ Shoreditch; to the west is a Premier Inn and to the east is Hoxton Square.</p> <p>In terms of the property’s location in relation to higher education institutions within London, it is located in close proximity to City University London, located west of the site. London Metropolitan University and Cass Business School all have campuses nearby.</p> <p>In terms of the property’s location in relation to commercial uses, it would be considered a good secondary location close to Old Street roundabout although the building lacks prominence. The planning permission allows for A1 and A3 uses although, in our opinion, this would be considered a secondary location due to a lack of prominence and a lack of footfall past the property.</p>
<b>Description and Accommodation</b>	<p>The property comprises a brand new student accommodation scheme totalling 541 studio bedrooms along with circa 50,000 sq ft of commercial accommodation at ground and first floor levels. The property is arranged over basement, ground and up to nine upper floors. Practical completion was gained on 6 August 2015 in time for the start of the 2015/16 academic year.</p>
<b>Tenure</b>	<p>Leasehold – 150 years from 26 July 2013 at an initial rent of £300,000 per annum. The rent is to be reviewed annually upwards only to RPI (all items). We understand from GCP Student Living plc that the initial rent was subject to an RPI review on 26 July 2016 and that the rent was increased to £316,099 per annum.</p>
<b>Tenancies</b>	<p>We understand that the student accommodation is to be let under licences to occupy under the Housing Act 1996. There is additional commercial space which is subject to a lease with Corsham Tenant Limited with a guarantee from WeWork Companies Inc. for a 15 year lease with no break options at a rent of £54.50 per sq ft. There is a further small office area which is to be let to Scape Student Living Limited for 15 years with no break at a peppercorn rent. The property is fully let for the current academic year.</p>
<b>Valuation Considerations</b>	<ul style="list-style-type: none"><li>• The site is well located to serve the campuses of London Metropolitan University and City University London, all of which are situated within close proximity. Other higher education institutions in close proximity include Cass Business School, The University of Law (London Moorgate), University of Liverpool in London, City University London and University of the Arts London.</li><li>• The property is located in an area that is already established as a student location with other schemes in close proximity including iQ Shoreditch and Urbanest Hoxton.</li></ul>

- The investment market in student accommodation has seen a good volume of transactions which have demonstrated investor sentiment in the sector.
- London is a world-leading university city, with numerous higher education institutions, providing a strong supply of students.
- The property has excellent connectivity being within 5 minutes walking distance of Old Street Underground station and numerous bus routes. Liverpool Street train rail and underground station is approximately a 15 minute walk away.
- Given the location of the site it will appeal to full-time students studying at institutions across Central London.
- Whilst the standard studios are relatively small, the scheme offers high specification studio accommodation in addition to generous communal study and catering areas.
- The majority of the commercial accommodation is let to a newly formed company called Corsham Tenant Limited with a guarantee from its US based parent company, WeWork Companies Inc.

<b>Address</b>	<b>Scape East, 438 – 490 Mile End Road, London, E1 4PE</b>
<b>Location</b>	The property is located in the borough of Tower Hamlets, in the east of London, on the southern side of Mile End Road. To the east and south east of the site are residential properties (which form part of the Ocean Estate); to the south a Council depot and to the west a multi-storey block of student housing. In terms of the property's location in relation to higher education institutions within London, it is located in close proximity to Queen Mary University of London (Mile End campus) which is located opposite the site.
<b>Description and Accommodation</b>	The property was completed in June 2012 and comprises a purpose-built student accommodation scheme of 588 studios together with an education facility (19,758 sq ft NIA) and retail units (2,450 sq ft NIA) arranged over ground and eight upper floors.
<b>Tenure</b>	Freehold
<b>Tenancies</b>	<p>Of the 588 studios, 210 in respect of the 2016/17 academic year are subject to a nominations agreement made between Mile End Road Nominee (No.1) Limited and Mile End Road Nominee (No.2) Limited (the "<b>Owner</b>") and Mile End Road 2 Limited ("<b>INTO</b>"). The agreement commenced on 15 September 2012 and expires on 4 September 2025. The remaining studios are let directly to students on short-term lease or licence agreements of one year or less.</p> <p>The teaching facility is currently let to Espalier Property Project 004 Limited on a full repairing and insuring lease at a current annual rent £467,651 for a term of 30 years (rent from September 2016). The retail units are both let on 10-year full repairing and insuring leases for an annual rent of £38,357 per annum. The property is fully let for the current academic year.</p>
<b>Valuation Considerations</b>	<ul style="list-style-type: none"> <li>● London is a world-leading university city, with numerous higher education institutions, providing a strong supply of students.</li> <li>● The subject property is purpose built and provides attractive student accommodation in studios.</li> <li>● The property has excellent connectivity being within 5 minutes walking distance of Mile End Road Underground station and numerous bus routes. The property is positioned opposite Queen Mary University campus.</li> <li>● Given the location of the property it will appeal to full-time students studying at institutions across Central London and the London Borough of Tower Hamlets.</li> <li>● The property offers high specification studio accommodation in addition to generous communal study and catering areas.</li> </ul>

<b>Address</b>	<b>Scape Greenwich, Bear Point, 2 East Parkside, London, SE10 0FQ</b>
<b>Location</b>	The site is located at the southeast segment of the Greenwich Peninsular. The Greenwich Peninsular is located within the pinnacle of land of North Greenwich bounded by the River Thames. To the west is Blackwall Tunnel Approach (A102) and to the east is the River Thames along which runs the North Greenwich Pier.
<b>Description and Accommodation</b>	The property comprises two blocks of nine storey purpose built student accommodation totalling 280 bedrooms. The two blocks are joined by a shared reception area with bike store and common room facilities. Phase one, which completed in September 2013, comprises a total of 152 studios. Phase two, which completed in December 2013, comprises a further 128 bedrooms.
<b>Tenure</b>	Leasehold (250 years at a peppercorn rent).
<b>Tenancies</b>	<p>There are 100 bedrooms that benefit from a nominations agreement to Ravensbourne College for 15 years from September 2013 with full rental guarantees. The rent is to be reviewed to effectively RPI + 1% on an annual basis.</p> <p>The remaining 180 bedrooms are to be let on licences or fixed term assured short hold tenancy agreements, under the Housing Act 1996. The property is fully let for the current academic year.</p>
<b>Valuation Considerations</b>	<ul style="list-style-type: none"> <li>• London is a world-leading university city, with numerous higher education institutions, providing a strong supply of students.</li> <li>• The subject property is located in the London Borough of Greenwich which has a strong supply / demand imbalance.</li> <li>• Ravensbourne College are occupying 100 of the 152 bedrooms in Phase one under a nominations agreement for 15 years with rental guarantees. The rent is to be reviewed annually to effectively RPI plus 1%.</li> <li>• The remaining bedrooms are directly let to students.</li> </ul>

<b>Address</b>	<b>The Pad (Phase One and Two), 53-71 Egham Hill, Egham, TW20 0QE</b>
<b>Location</b>	The subject site is located on Egham Hill adjacent to The Royal Holloway and Bedford College in Egham.
<b>Description and Accommodation</b>	The property comprises a purpose built student accommodation scheme developed in two phases. Phase One totals 116 bedrooms in a mix of en suite clusters and studio rooms, in three blocks arranged as a “U” and Phase Two 104 bedrooms, all arranged as studios. Phase One of the property opened in time for the 2013/14 academic year, and Phase Two in time for the 2015/16 academic year.
<b>Tenure</b>	Freehold
<b>Tenancies</b>	We understand that the individual rooms are let to students on a fixed term short-hold assured tenancy agreements, under the Housing Act 1996. The property is fully let for the current academic year.
<b>Valuation Considerations</b>	<ul style="list-style-type: none"> <li>● The subject property is purpose built and opened in September 2013.</li> <li>● The property provides attractive student accommodation in a mix of en-suite cluster flats and studios.</li> <li>● The property has been fully let since its first operational year.</li> <li>● The property is well located adjacent to the Royal Holloway University of London campus.</li> <li>● There is very strong demand in Egham for purpose built student accommodation. There are currently circa 8,785 full time students of which 5,668 (64.7%) are unable to access university or private sector purpose-built accommodation.</li> <li>● Egham is a good university town, with Royal Holloway University of London ranking in the Top 30 in the Times Higher Education World University Rankings category of ‘International Outlook’, providing a strong supply of students but is a small market in terms of total size.</li> <li>● Although there is currently an absence of competitive schemes and good underlying residential values, there remains the risk of competitor incursion which could affect the future letting rental growth prospects.</li> </ul>



<b>Address</b>	<b>Scape Surrey, 1 Kernal Court, Walnut Tree Close, Guildford, Surrey, GU1 4UD</b>
<b>Location</b>	The property is located on the corner of Kernal Court and Walnut Tree Close in Guildford to the east of the University of Surrey. Walnut Tree Close runs parallel to the River Wey and is situated adjacent to the North Downs Railway Line. To the north of the property via Woodbridge Meadows is the A3 connecting London and Portsmouth.
<b>Description and Accommodation</b>	The property is a purpose built student accommodation scheme new for the 2015/16 academic year. It comprises 141 bedrooms over ground to fourth floor in a mix of studio and en suite clusters.
<b>Tenure</b>	Freehold
<b>Tenancies</b>	We understand that all rooms are let on fixed term assured short hold tenancy agreements under the Housing Act 1996. The property is fully let for the current academic year.
<b>Valuation Considerations</b>	<ul style="list-style-type: none"> <li>• The University of Surrey, located in Guildford, is a strong University ranked 8th in the Times Good University Guide 2016, and provides 12,000 full time students.</li> <li>• The University of Surrey has a high percentage of postgraduates and most significantly international students at 34% nearly 10% higher than the national average. These specific groups have experienced strong growth since the last decade.</li> <li>• The subject property provides a high specification student accommodation scheme in close proximity to the University.</li> <li>• The key characteristics that typify the Guildford student accommodation market are that there is an acute under supply and limited prospects for a swift rebalancing of the market.</li> <li>• There is a strong demand in Guildford for purpose built student accommodation. There are currently c.12,000 full time students in Guildford of which 6,841 (57.0%) are unable to access purpose built accommodation.</li> </ul>

<b>Address</b>	<b>Water Lane Apartments, Temple Street, Bristol, BS1 6HS</b>
<b>Location</b>	The subject property is situated on Water Lane in Bristol City Centre. It lies just off Temple Way which is a main section of the inner city ring road, connecting Cabot Circus shopping centre to Bristol Temple Meads rail station. The University of Bristol main campus is 1.5km (0.8 mile) to the north west.
<b>Description and Accommodation</b>	The subject property comprises 153 studio bed spaces in a converted office building. The scheme was new for September 2015 and has been finished to a good specification and offers a high level of communal space.
<b>Tenure</b>	Freehold.
<b>Tenancies</b>	We understand that the property is fully let. We understand that all occupied rooms are let on fixed term assured short hold tenancy agreements under the Housing Act 1996. We understand that the property benefits from an open C3 consent and as such nine of the rooms are let to non-students.
<b>Valuation Considerations</b>	<ul style="list-style-type: none"> <li>• The property is well connected, being close to a main traffic artery, a national rail station, and the city centre. It is also in close proximity to the city centre and the University of Bristol, though the property is not located within a traditional student area in Bristol.</li> <li>• Student numbers at universities in Bristol have risen steadily in the last decade.</li> <li>• The specification of the scheme is regarded as good in relation to competing schemes in Bristol.</li> <li>• The property benefits from a C3 Use class and can therefore attract non-students</li> </ul>

<b>Address</b>	<b>Apex House, Fulton Way, Wembley, HA9</b>
<b>Location</b>	The property is located on Fulton Way, a short walk from Wembley Stadium and Wembley Park Underground Station.
<b>Description and Accommodation</b>	The subject site fronts onto Fulton Road to the south and Albion Way to the East. The site is bound to the west by Felda House, a mixed use scheme including hotel, retail and residential. Karma House a 450 bed student scheme is located immediately to the north of the subject site. The property is currently under construction and will provide 580 bedrooms across a mixture of studios, en-suite bedrooms and twin rooms.
<b>Tenure</b>	Freehold
<b>Tenancies</b>	We understand that all rooms will be let on fixed term assured short hold tenancy agreements under the Housing Act 1996. The property is currently under construction.
<b>Valuation Considerations</b>	<ul style="list-style-type: none"> <li>● The site is located in the north west of London within the London Borough of Brent and sits within the Wembley Area Action plan.</li> <li>● The site is approximately 320m from Wembley Park Tube Station which provides convenient access to the Metropolitan and Jubilee lines of the London Underground.</li> <li>● The site is bounded to the west by Shubette House, a mixed use hotel, retail and residential development.</li> <li>● The planning pipeline in London has reduced dramatically in recent years.</li> <li>● The perception of the Student Property sector appears to be that it offers a more risk averse asset than traditional sectors with strong occupational demand and some counter cyclical characteristics.</li> <li>● London has a huge range of institutions with over sixty different colleges and universities. These institutions range in size from a few hundred students to the capital's largest, University College London, which has a full-time roll of over 28,145 students and is ranked 10th in the Good Time University Guide 2016. While other global locations have individual institutions with higher prestige, arguably no other city has such a high concentration of academic excellence.</li> <li>● The Market Value of this asset has been derived on a residual land value basis, with build costs spend to date added to the residual land value. As the building nears practical completion and high booking levels are demonstrated, an investment approach to the valuation will be adopted.</li> </ul>

## PART 7

### UK REIT STATUS AND TAXATION

The information below, which is of a general nature and which relates only to the United Kingdom, is applicable to the Company and to persons who are resident in the United Kingdom (except where indicated) and who hold Shares as an investment. It is based on existing law and practice and is subject to subsequent changes therein. Any change in the Company's tax status or in taxation legislation in the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company or affect the Company's ability to achieve its investment objective or alter the post-tax returns to Shareholders.

If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

#### 1 TAXATION OF THE COMPANY AND GROUP

##### 1.1 REIT Status

On the basis that the Group continues to meet the conditions for the Group to remain a REIT in relation to an accounting period, the Group will generally be exempt from UK corporation tax on profits of the Property Rental Business and gains on disposals of properties used for the purposes of the Property Rental Business. However, UK corporation tax will still be payable in the normal way in respect of income and gains from any Residual Business of the Group.

#### 2 UNITED KINGDOM TAX TREATMENT OF SHAREHOLDERS UNDER REIT STATUS

##### 2.1 Introduction

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

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company on the Shares, and to disposals of Shares. Except where otherwise indicated, they apply only to Shareholders who are resident for tax purposes solely in the United Kingdom. They apply only to Shareholders who are both the absolute beneficial owners of their Shares and who hold their Shares as investments. They do not apply to Substantial Shareholders. They do not apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Shares by reason of their or another's employment, persons who hold their Shares as part of hedging or conversion transactions, or persons who hold their Shares in connection with a UK branch, agency or permanent establishment.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay.

##### 2.2 UK taxation of Non-PID Dividends

The Company is not obliged to withhold UK income tax at source in respect of its non-PID Dividends.

###### (a) Individual Shareholders

In addition to any personal allowance a Shareholder who is an individual resident for tax purposes in the UK and who receives a Non-PID Dividend from the Company will be entitled to a dividend allowance in the form of a 0 per cent. tax rate on the first £5,000 of dividend income per year. UK resident individual Shareholders will pay tax on any dividends received over the £5,000 allowance at the following rates: 7.5 per cent. on dividend income within the basic rate band, 32.5 per cent. on dividend income within the higher rate band and 38.1 per cent. on dividend income within the additional rate band.

(b) Corporate Shareholders

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

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

## 2.3 UK taxation of PIDs

(a) UK taxation of individual Shareholders

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in Section 264 of the Income Tax (Trading and Other Income) Act 2005). This means that, subject to the availability of any exemptions or reliefs, such Shareholders would be liable to UK income tax at the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a separate UK property business from any other UK property business (a “**different UK property business**”) carried on by the relevant Shareholder. This means that surplus expenses from a Shareholder’s different UK property business cannot be offset against a PID, arising in the same or future years as part of a single calculation of the profits of the Shareholder’s UK property business.

In the 2016 budget, the UK government announced the introduction of a new personal income tax allowance of £1,000 for property income with effect from 6 April 2017. Individuals with property income up to the £1,000 allowance will no longer be required to declare or pay that income. Individuals with property income exceeding the £1,000 allowance will be allowed to deduct the £1,000 allowance from their property income.

Please see also paragraph 2.3(d) (Withholding tax) below.

(b) UK taxation of corporate Shareholders

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

Please see also paragraph 2.3(d) (Withholding tax) below.

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

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

Please see also paragraph 2.3(d) (Withholding tax) below.

(d) Withholding tax

*General*

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

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

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

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

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

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

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

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

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

## **2.4 UK taxation of chargeable gains**

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to UK capital gains tax in respect of any gain arising on a disposal of their Shares.

For individual UK Shareholders, capital gains tax at the rate of 10 per cent. (for some basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers and some basic rate taxpayers) will be payable on any gain. Individuals may benefit from certain reliefs and allowances (including an annual exemption, which exempts the first £11,100 (tax year 2016/17) of gains from tax) depending on their circumstances.

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

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

## **2.5 UK stamp duty and SDRT**

The following comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with voluntary arrangements or clearance to whom special rules apply.

No UK stamp duty, or SDRT, will be payable on the issue, allotment and registration of the Shares.

Documents effecting transfers on sale of Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the chargeable consideration (broadly cash, marketable securities, and the creation, satisfaction, novation or assignment of debt) given for the transfer. The purchaser normally pays the stamp duty.

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

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

## 2.6 **ISA, SSAS and SIPP**

Shares acquired pursuant to the Initial Placing or the 2017 Placing Programme will not be qualifying investments for inclusion in an ISA. Shares acquired in the Offer for Subscription or in the secondary market should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits. Investors resident in the United Kingdom who are considering acquiring Shares in the Offer for Subscription or in the secondary market are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the Shares for ISAs.

The Directors have been advised that the Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

## **3 DESCRIPTION OF THE REIT PROVISIONS INCLUDED IN THE ARTICLES**

### **3.1 Introduction**

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

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

The Articles contain special articles for this purpose (the “**Special Articles**”). The text of the Special Articles is set out in paragraph 4 of this Part 7.

The Special Articles:

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

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

### **3.2 Identification of Substantial Shareholders**

The share register of the Company records the legal owner and the number of Shares they own but does not identify the persons who are beneficial owners of the Shares or are entitled to control the voting rights attached to the Shares or are beneficially entitled to dividends. While the requirements for the notification of interests in shares provided in Part VI of the

Companies Act and the Board's rights to require disclosure of such interests (pursuant to Part 22 of the Companies Act and article 4 of the Articles) should assist in the identification of Substantial Shareholders, those provisions are not on their own sufficient.

Accordingly, the Special Articles require a Substantial Shareholder and any registered Shareholder holding Shares on behalf of a Substantial Shareholder to notify the Company if his Shares form part of a Substantial Shareholding. Such a notice must be given within two business days. The Special Articles give the Board the right to require any person to provide information in relation to any Shares in order to determine whether the Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which is seven days after a request is made or such other period as the Board may decide), the Board is entitled to impose sanctions, including withholding dividends (as described in paragraph 3.3 below) and/or requiring the transfer of the Shares to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph 3.6 below).

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

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

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

- the Substantial Shareholder concerned is not beneficially entitled to the dividends (see also paragraph 3.4 below);
- the shareholding is not part of a Substantial Shareholding;
- all or some of the Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, a Substantial Shareholder (in which case the dividends will be paid to the transferee); or
- sufficient Shares have been transferred (together with the right to the dividends) such that the Shares retained are no longer part of a Substantial Shareholding (in which case the dividends will be paid on the retained Shares).

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

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

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

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

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

If the Board believes a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described in paragraph 3.3 above). In addition, the Board may require a Substantial Shareholder to pay to the Company the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to a Substantial Shareholder which would include circumstances where a dividend has been paid in reliance on an inaccurate certificate. The Board may require a sale of the relevant Shares and retain the amount claimed from the proceeds.



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

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

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

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

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

### **3.6 Mandatory sale of Substantial Shareholdings**

The Special Articles also allow the Board to require by service of a notice (a “**Disposal Notice**”) the disposal of Shares forming part of a Substantial Shareholding if:

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

If a Disposal Notice is not complied with or withdrawn or if the Company incurs a charge to tax, the Board may, instead of requiring the Shareholder to dispose of the Shares, arrange for the sale of the relevant Shares and for the Company to retain from the sale proceeds an amount equal to any tax so payable.

### **3.7 Takeovers**

The Special Articles do not prevent a person from acquiring control of the Company through a takeover. Such an event may cause the Company to cease to qualify as a REIT.

### **3.8 Other**

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

The Special Articles may be amended by special resolution passed by the Shareholders in the future, including to give powers to the Directors to ensure that the Company is not and does not become a close company and in order that the Group maintains its status as a REIT, which powers may include the ability to arrange for the sale of Shares on behalf of Shareholders.

## **4 THE SPECIAL ARTICLES**

### **REAL ESTATE INVESTMENT TRUST**

#### **3. Cardinal principle**

It is a cardinal principle that, for so long as the Company qualifies as a REIT or is the principal company of a group REIT for the purposes of Part 12 of the CTA 2010, it should not be liable to pay tax under Section 551 of the CTA 2010 on or in connection with the making of a Distribution to a Substantial Shareholder.

Articles 4 to 8 support such cardinal principle by, among other things, imposing restrictions and obligations on the members and, indirectly, certain other persons who may have an interest in the Company, and shall be construed accordingly so as to give effect to such cardinal principle.

## **4 NOTIFICATION OF SUBSTANTIAL SHAREHOLDER AND OTHER STATUS**

4.1 Each member and any other relevant person shall serve notice in writing on the Company at the Office on:

- him becoming a Substantial Shareholder (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the member(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the Directors may require from time to time);
- him becoming a Relevant Registered Shareholder (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the Directors may require from time to time); and
- any change to the particulars contained in any such notice, including on the relevant person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.

Any such notice shall be delivered by the end of the second Business Day after the day on which the person becomes a Substantial Shareholder or a Relevant Registered Shareholder or the change in relevant particulars or within such shorter or longer period as the Directors may specify from time to time.

4.2 The Directors may at any time give notice in writing to any person requiring him, within such period as may be specified in the notice (being seven days from the date of service of the notice or such shorter or longer period as the Directors may specify in the notice), to deliver to the Company at the Office such information, certificates and declarations as the Directors may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such person shall deliver such information, certificates and declarations within the period specified in such notice.

## **5 DISTRIBUTIONS IN RESPECT OF SUBSTANTIAL SHAREHOLDINGS**

5.1 In respect of any Distribution, the Directors may, if the Directors determine that the condition set out in Article 5.2 is satisfied in relation to any Shares, withhold payment of such Distribution on or in respect of such Shares. Any Distribution so withheld shall be paid as provided in Article 5.3 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

5.2 The condition referred to in Article 5.1 is that, in relation to any Shares and any Distribution to be paid or made on and in respect of such Shares:

- (a) the Directors believe that such Shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and
- (b) the Directors are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid, and, for the avoidance of doubt, if the Shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.

- 5.3 If a Distribution has been withheld on or in respect of any Shares in accordance with Article 5.1, it shall be paid as follows:
- (a) if it is established to the satisfaction of the Directors that the condition in Article 5.2 is not satisfied in relation to such Shares, in which case the whole amount of the Distribution withheld shall be paid; and
  - (b) if the Directors are satisfied that sufficient interests in all or some of the Shares concerned have been transferred to a third party so that such transferred Shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such Shares shall be paid (provided the Directors are satisfied that following such transfer such Shares concerned do not form part of a Substantial Shareholding); and
  - (c) if the Directors are satisfied that as a result of a transfer of interests in Shares referred to in Article 5.3.2 above the remaining Shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such Shares shall be paid.

In this Article 5.3, references to the “transfer” of a Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of that Share.

- 5.4 A Substantial Shareholder may satisfy the Directors that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The Directors shall be entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the Directors shall be entitled to require such other information, certifications or declarations as they think fit.
- 5.5 The Directors may withhold payment of a Distribution on or in respect of any Shares if any notice given by the Directors pursuant to Article 4.2 in relation to such Shares shall not have been complied with to the satisfaction of the Directors within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the Directors unless the Directors withhold payment pursuant to Article 5.1 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 5.6 If the Directors decide that payment of a Distribution should be withheld under Article 5.1 or Article 5.5, they shall within seven Business Days give notice in writing of that decision to the Relevant Registered Shareholder.
- 5.7 If any Distribution shall be paid on a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall pay the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to Article 7.2 or out of any subsequent Distribution in respect of the Shares to such person or to the members of all Shares in relation to or by virtue of which the Directors believe that person has an interest in the Company (whether that person is at that time a Substantial Shareholder or not).

## **6 DISTRIBUTION TRUST**

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

Distribution shall be held on trust for the nominated persons in equal proportions. No person may be nominated under this Article 6.2 who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial Shareholder making the nomination is not by virtue of Article 6.1 the trustee of the trust, the nomination shall not take effect until it is delivered to the person who is the trustee.

- 6.3 Any income arising from a Distribution which is held on trust under Article 6.1 shall until the earlier of (i) the making of a valid nomination under Article 6.2 and (ii) the expiry of the period of 12 years from the date when the Distribution is paid be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.
- 6.4 No person who by virtue of Article 6.1 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- 6.5 No person who by virtue of Article 6.1 holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated person, the fraud or wilful wrongdoing of its directors, officers or employees.

## 7 OBLIGATION TO DISPOSE

7.1 If at any time, the Directors believe that:

- (a) in respect of any Distribution declared or announced, the condition set out in Article 5.2 is satisfied in respect of any Shares in relation to that Distribution; or
- (b) a notice given by the Directors pursuant to Article 4.2 in relation to any Shares has not been complied with to the satisfaction of the Directors within the period specified in such notice; or
- (c) any information, certificate or declaration provided by a person in relation to any Shares for the purposes of this Article 7.1 was materially inaccurate or misleading,

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

7.2 If:

- (a) the requirements of a Disposal Notice are not complied with to the satisfaction of the Directors within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or
- (b) a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable,

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

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

7.4 The net proceeds of the sale of any Share under Article 7.2 (less any amount to be retained pursuant to Article 5.5 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant Share upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.

7.5 The title of any transferee of Shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this Article 7.

## **8 GENERAL**

8.1 The Directors shall be entitled to presume without enquiry, unless any Director has reason to believe otherwise, that a person is not a Substantial Shareholder or a Relevant Registered Shareholder.

8.2 The Directors shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular person) pursuant to Articles 3 to 8 and any such determination or decision shall be final and binding on all persons unless and until it is revoked or changed by the Directors. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to Articles 3 to 8 shall be binding on all persons and shall not be open to challenge on any ground whatsoever.

8.3 Without limiting their liability to the Company, the Directors shall be under no liability to any other person, and the Company shall be under no liability to any member or any other person, for identifying or failing to identify any person as a Substantial Shareholder or a Relevant Registered Shareholder.

8.4 The Directors shall not be obliged to serve any notice required under Articles 3 to 8 upon any person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any person upon whom notice is required to be served under Articles 3 to 8 shall not prevent the implementation of or invalidate any procedure under Articles 3 to 8.

8.5 The provisions of Articles 160 to 165 shall apply to the service upon any person of any notice required by Articles 3 to 8. Any notice required by Articles 3 to 8 to be served upon a person who is not a member or upon a person who is a member but whose address is not within the United Kingdom shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that person or member at the address if any, at which the Directors believe him to be resident or carrying on business or, in the case of a holder of depository receipts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.

8.6 Any notice required or permitted to be given pursuant to Articles 3 to 8 may relate to more than one Share and shall specify the Share or Shares to which it relates.

8.7 The Directors may require from time to time any person who is or claims to be a person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such certificates or declarations as they may require from time to time.

8.8 Any of Articles 3 to 8 may be amended by special resolution from time to time, including to give powers to the Directors to take such steps as they may require in order to ensure that the Company can satisfy Condition D of Section 528 of the CTA 2010 which relates to close company status, which powers may include the ability to arrange for the sale of Shares on behalf of members.

8.9 Where any certificate or declaration may be or is required to be provided by any person (including, without limitation, a Distribution Transfer Certificate) pursuant to any of Articles 3 to 8, such certificate or declaration may be required by the Directors (without limitation):

- (a) to be addressed to the Company, the Directors or such other persons as the Directors may determine (including HMRC);
- (b) to include such information as the Directors consider is required for the Company to comply with any Reporting Obligation;
- (c) to contain such legally binding representations and obligations as the Directors may determine;
- (d) to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;

- (e) to be copied or provided to such persons as the Directors may determine (including HMRC); and
- (f) to be executed in such form (including as a deed or deed poll) as the Directors may determine.

The provisions of Articles 3 to 8 shall apply notwithstanding any provisions to the contrary in any other Article (including, without limitation, Articles 146 to 158).”

## PART 8

### GENERAL INFORMATION

#### 1 THE COMPANY

- 1.1 The Company was incorporated in England and Wales on 26 February 2013 with registered number 8420243 as a public company limited by shares under the Companies Act. The Company is domiciled in England and Wales.
- 1.2 The principal place of business and the registered office of the Company is 51 New North Road, Exeter EX4 4EP with telephone number 01392 477500.
- 1.3 The principal legislation under which the Company operates is the Companies Act. The Company is not regulated as a collective investment scheme by the FCA. However it is subject to the Prospectus Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules, the Listing Rules and the rules of the London Stock Exchange.
- 1.4 The Company's accounting period ends on 30 June of each year. The annual report and accounts are prepared in Sterling according to accounting standards laid out under IFRS.
- 1.5 On 2 April 2013, the Company was granted a certificate under Section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.6 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to Section 833 of the Companies Act.
- 1.7 The Company is the parent company of the Group. The following table contains a list of the subsidiaries of the Company as at the date of this document:

Name	% of beneficial interest	Field of activity	Country of incorporation	Registered Office
GCP Topco Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Holdco Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Scape East Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Brunswick Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Operations Limited	100	Employer of the Group's employees	UK	51 New North Road, Exeter EX4 4EP
Leopard Guernsey Greenwich JV Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
Leopard Guernsey Greenwich Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
Leopard Guernsey Greenwich 2 Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
GCP RHUL Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP RHUL 2 Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP SG Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
Old Street Acquisitions Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
Leopard Guernsey Old Street Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
Leopard Guernsey Old Street 2 Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
GCP WL Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Apex Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Brunswick 2 Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP

## 2 SHARE CAPITAL

2.1 The following table shows the issued share capital as at the date of this document and following completion of the 2017 Placing Programme (assuming that 200 million Shares are issued pursuant to the Initial Issue and the 2017 Placing Programme):

	<b>Aggregate nominal value</b>	<b>Shares Number</b>
As at the date of this document	£2,782,235.87	278,223,587
Following completion of the 2017 Placing Programme	£4,782,235.87	478,223,587

The Company's issued share capital history since its incorporation to the date of this document is as follows:

- (a) on incorporation, one Share was issued at £1.00 (fully paid) for the purposes of incorporation to the subscriber of the Company's memorandum of association;
  - (b) on 21 March 2013: (i) 100,001 non-voting redeemable fixed rate preference shares of 50 pence each were issued at par (fully paid) to the Initial Asset Partners; and (ii) a further 100,000 Shares were issued at £1.00 per Share (nil paid) to the Initial Asset Partners;
  - (c) on 20 May 2013, the 100,000 Shares issued to the Initial Asset Partners were fully paid up and 70,000,000 Shares were issued fully paid pursuant to a placing and offer for subscription. Simultaneous to the issue of such Shares, the non-voting redeemable fixed rate preference shares of 50 pence each were redeemed and cancelled in accordance with the Articles;
  - (d) by an order of the High Court of Justice (Chancery Division) dated 31 July 2013 the cancellation of the Company's share premium account was approved and a statement of capital approved by the High Court of Justice (Chancery Division) in respect of the cancellation was registered by the Registrar of Companies on 31 July 2013;
  - (e) on 22 May 2014, following an open offer, placing and offer for subscription by the Company, the Company issued 39,810,427 Shares;
  - (f) on 30 June 2015, following an open offer, placing and offer for subscription, the Company issued 120,000,000 C Shares of one pence each ("**C Shares**") at a price of 100 pence per C Share;
  - (g) on 27 October 2015, 93,725,280 C Shares converted into Shares. Each holder of C Shares received 0.781044 Shares for every C Share held by him/her;
  - (h) on 27 October 2015, 26,274,720 C Shares were redeemed by the Company;
  - (i) on 12 February 2016, 14,074,075 Shares were issued by the Company at a price of 135 pence per Share;
  - (j) on 20 May 2016, 44,085,232 Shares were issued by the Company at a price of 136.10 pence per Share; and
  - (k) on 20 December 2016, 16,428,572 Shares were issued by the Company at a price of 140 pence per Share.
- 2.2 Save as set out in paragraphs 2.1(c) and 2.1(h) above, the Company has not repurchased or redeemed any shares since its incorporation and no Shares are held in treasury.
- 2.3 By ordinary and special resolutions passed on 27 October 2016:
- a) the Directors have authority to issue Shares with an aggregate nominal value of £261,795 on a non-pre-emptive basis, such authority to expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2017 and 31 December 2017;
  - b) the Company was authorised in accordance with Section 701 of the Companies Act to make market purchases (within the meaning of Section 693(4) of the Companies Act) of Shares provided that the maximum number of Shares authorised to be purchased is 39,243,072 Shares (equivalent to 14.99 per cent. of the Shares in issue as at 30 September 2016). The minimum price which may be paid for a Share is one pence. The maximum price which may be paid for a Share must not be more than the higher of (i) 105 per cent. above the average of the mid-market value of the Shares for the five Business Days before the purchase is made or (ii) the higher of the last independent



trade and the highest current independent bid for Shares. Such authority will expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2017 and 31 December 2017 save that the Company may contract to purchase Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Shares in pursuance of such contract; and

- c) a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.
- 2.4 By ordinary and special resolutions passed on 31 January 2017 the Directors have authority to issue up to 200,000,000 Shares on a non-pre-emptive basis, such authority to expire on 16 February 2018 (unless previously renewed, varied or revoked by the Company in general meeting).
- 2.5 In accordance with the power granted to the Directors by the Articles, it is expected that the Shares to be issued pursuant to the Initial Issue and the 2017 Placing Programme will be allotted (conditionally upon the relevant Admission) pursuant to a resolution of the Board to be passed shortly before the relevant Admission in accordance with the Companies Act.
- 2.6 The provisions of Section 561(1) of the Companies Act (which, to the extent not dis-applied pursuant to Sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save, as at the date of this document, to the extent dis-applied as mentioned in paragraphs 2.3 and 2.4 above.
- 2.7 The Companies Act abolished the requirement for companies incorporated in England and Wales to have an authorised share capital. Furthermore, the Articles do not contain a provision expressly limiting the number of shares that can be issued by the Company.
- 2.8 Save as disclosed in this paragraph 2, no share or loan capital of the Company has since the date of incorporation of the Company to the date of this document been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and no such issue is now proposed.
- 2.9 As at the date of this document, the Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.10 All of the Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
- 2.11 Applicants who have signed and returned Application Forms in respect of the Offer for Subscription may not withdraw their applications for Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.

### 3 INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- 3.1 Insofar as is known to the Company, the interests of each Director (including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party) in the share capital of the Company as at the date of this document are:

<b>Director</b>	<b>Number of Shares</b>	<b>% of issued share capital as at 31 January 2017</b>
Robert Peto*	41,714	0.0165
Malcolm Naish	31,286	0.012
Peter Dunscombe	52,144	0.020
Marlene Wood	7,810	0.003

\*The legal and beneficial interest in 50 per cent. of Mr. Peto's Shares are held by Mr. Peto's spouse.

- 3.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 3.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. As at 1 July 2016, save for the Chairman of the Board, each Director receives £37,000 per annum. The Chairman receives £45,000 per annum. An additional payment of £5,000 is made to the chair of the audit committee. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration of the Directors in respect of the Company's accounting period ended on 30 June 2016 was £121,000. No benefits in kind were received.
- 3.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 3.5 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 3.6 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 3.7 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company and the Subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships:

<b>Name</b>	<b>Current</b>	<b>Previous</b>
Robert Peto	DTZ Investment Management Limited Lend Lease Europe GP Limited Bath and West Enterprises Limited Base2stay Developments Limited Nadler Hotels Limited The Nadler Kensington Limited The Nadler Kensington Holdings Limited The Nadler Soho Limited The Nadler Soho Holdings Limited The Nadler Victoria Limited Standard Life Investments Property Income Trust Limited Standard Life Investments Property Holdings Limited DTZ IM (SPFS) Limited Mactaggart Heritable Limited Western Heritable Limited Nadler Holdings Limited The Nadler Palace Street Limited The Nadler Victoria Limited Standard Life Investment SLIPIT (General Partner) Limited Standard Life Investments (SLIPIT) Limited Partnership Standard Life Investments (SLIPIT Nominee) Limited Cushman & Wakefield Corporate Finance Limited Western America Limited Insight Investment Management (Global) Limited DTZ Debenham Tie Leung Limited Insight Investments (Global) Limited	Mactaggart Heritable Holdings Limited Western Heritable Investment Company Limited Ceres Court Properties Limited Property Industry Alliance Debt Group Surveyor to the Worshipful Company of Armourers and Brasiers

<b>Name</b>	<b>Current</b>	<b>Previous</b>
Malcolm Naish	Ground Rents Income Fund plc Mapledurham Glade Management Company Limited Target Healthcare REIT Limited The Charities Property Fund Greenwich Hospital Canal and River Trust and DEFRA Membership of DTZ Investors Investment Committees Aberdeen European Residential Opportunities Fund	Pace Trustees Limited (DTZ Investment Management Ltd) Aurora Europe General Partner Limited GE Common Investment Fund
Peter Dunscombe	Sarda House (Freehold) Limited Sarda House Management Company Limited Murray International Trust plc St James Place plc Reed Elsevier Pension Fund Nuffield Foundation Hg Capital Trust plc	The Private Equity Investors Association BBC (Monkswood Nominee) Limited The Pensions Trust
Marlene Wood	One Parent Families Scotland 2010 Finance Limited Scottish Funding Council RM Secured Direct Lending PLC	Sanderson Bros. (Engineering) Limited (members' voluntary liquidation – dissolved 15/03/12) Edinburgh Printmakers Limited University of the Highlands and Islands Strategy Working Group

3.8 The Directors in the five years before the date of this document:

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

3.9 As at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

3.10 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

3.11 So far as is known to the Company by virtue of the notifications made pursuant to the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date the following persons hold directly or indirectly three per cent. or more of the Company's voting rights:

	<b>Number of Shares</b>	<b>% of issued share capital</b>
Bank of Montreal	25,429,101	9.14
CCLA Investment Management Ltd	21,430,788	7.70
Old Mutual plc	15,244,727	5.48
Investec Wealth & Investment Limited	12,050,466	4.33
Aviva plc & its subsidiaries	8,477,736	3.05

3.12 All Shareholders have the same voting rights in respect of the share capital of the Company.

3.13 As at the date of this document, the Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

3.14 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

#### **4 THE ARTICLES**

In addition to the rights of the holders of the Shares, which are summarised in Part 1 of this document, this paragraph 4 contains a summary of the provisions of the Articles.

##### **4.1 Objects/purposes**

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

##### **4.2 Voting rights**

- (a) Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (b) Unless the Board otherwise determines, no member shall be entitled to be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company.
- (c) Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

##### **4.3 Dividends**

- (a) Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (c) All dividends, interest or other sums payable and unclaimed for a period of twelve months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.

- (d) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (e) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- (f) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

#### 4.4 Winding up

- (a) If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, divide among the shareholders in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.
- (b) The Directors are also required to propose the Continuation Resolution (i) at the fifth annual general meeting of the Company; and (ii) at each third annual general meeting of the Company thereafter.
- (c) If the Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction, reorganisation or winding up of the Company to the shareholders for their approval.

#### 4.5 Transfer of shares

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

person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

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

- (c) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.
- (d) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (e) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- (f) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 4.5(g) below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- (g) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable

to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).

- (h) Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

#### **4.6 Variation of rights**

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

#### **4.7 Alteration of share capital**

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

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

#### **4.8 General meetings**

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (b) A general meeting shall be convened by such notice as may be required by law from time-to-time.
- (c) The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
  - (i) whether the meeting is convened as an annual general meeting or any other general meeting;
  - (ii) the place, the day, and the time of the meeting;
  - (iii) the general nature of the business to be transacted at the meeting;
  - (iv) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and

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

#### 4.9 Borrowing powers

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



#### 4.10 Issue of shares

- (a) Subject to the provisions of the Companies Act, and to any relevant authority of the Company required by the Companies Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, at such times and generally on such terms and conditions as the Board may decide.
- (b) Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

#### 4.11 General

The business of the Company shall be managed by the Directors who, subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

#### 4.12 Directors' fees

- (a) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £200,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.
- (b) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

#### 4.13 Directors' interests

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

documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

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

#### **4.14 Restrictions on Directors voting**

- (a) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
  - (i) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
  - (ii) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
  - (iii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- (iv) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
  - (v) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - (vi) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;
  - (vii) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
  - (viii) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
  - (ix) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
  - (x) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- (b) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

#### 4.15 Number of Directors

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

#### 4.16 Directors' appointment and retirement

- (a) Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.
- (b) At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire. In addition one-third of the remaining Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation. If there are fewer than three such Directors, one Director shall retire from office.
- (c) At each annual general meeting, any Director who was last elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. If the number of Directors so retiring is less than the minimum number of Directors who are required to retire by rotation, additional Directors up to that number shall retire (namely, those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and those Directors who have been Directors longest since their appointment or last reappointment (and, as between those who have been in office an equal length of time, those to retire shall, unless they otherwise agree, be determined by lot)).

- (d) Any Director who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting and shall not be taken into account when deciding which and how many Directors should retire by rotation at the annual general meeting.

#### **4.17 Notice requiring disclosure of interest in shares**

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

#### **4.18 Untraced shareholders**

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for twelve years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

#### **4.19 Indemnity of officers**

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

#### **4.20 REIT provisions**

A summary of the REIT provisions included in the Articles is set out in paragraph 3 of Part 7 of this document.

## **5 CITY CODE ON TAKEOVERS AND MERGERS**

### **5.1 Mandatory bid**

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

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

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

### **5.2 Compulsory acquisition**

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

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

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

## **6 MATERIAL CONTRACTS OF THE GROUP**

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Group in the two years immediately preceding the date of this document and which are, or may be, material or contain any provision under which the Group has any obligation or entitlement which is or may be material to it as at the date of this document:

### **6.1 The Placing Agreement**

The Placing Agreement dated 2 February 2017 between the Company, the Investment Manager and Stifel, pursuant to which, Stifel has agreed to use its reasonable endeavours to procure subscribers for Shares under the Initial Issue and the 2017 Placing Programme and the Investment Manager has agreed, to use its reasonable endeavours to make introductions to potential subscribers, each on the terms and subject to the conditions set out in the Placing Agreement.

Under the Placing Agreement, the Company has agreed to pay Stifel and the Investment Manager certain fees and also aggregate commissions equal to £160,000 and 1.5 per cent. of the gross proceeds raised under the Initial Issue and each Placing under the 2017 Placing Programme.

Stifel will be paid from such fees and commissions set out above, a fee of £50,000 for the provision of corporate finance services in relation to the Initial Issue and 2017 Placing Programme and a commission of 1.20 per cent. of the gross proceeds raised under the Initial Issue and each Placing under the 2017 Placing Programme, together with any applicable VAT. Pursuant to the Placing Agreement, Stifel may rebate any part of its commissions and fees to third parties.

The Investment Manager will be paid from the fees and commissions set out above a fee of £110,000 in connection with the provision of transaction management and documentation services in relation to the Initial Issue and the 2017 Placing Programme and a commission of 0.30 per cent. of the gross proceeds raised under the Initial Issue and each Placing under the 2017 Placing Programme, together with any applicable VAT, in connection with marketing and investor introduction services. The Investment Manager has appointed Highland Capital Partners to assist it with its marketing and investor introduction services and will pay any fees due to Highland Capital Partners out of the fees it receives from the Company. The amount of the fees and commissions payable to the Investment Manager under the Placing Agreement shall be subject to a cap, such that the aggregate amount paid by the Company to the Investment Manager in any rolling 12 month period in respect of fees and commissions (save for any fees payable under the Investment Management Agreement) shall be limited to a maximum of 0.25 per cent. calculated on the lower of i) the Net Asset Value and ii) the market capitalisation of the Company, measured as at the time payment of any such fees and commissions becomes due from time to time.

The Placing Agreement contains warranties given by the Company and the Investment Manager to Stifel as to the accuracy of the information contained in this document and other matters relating to the Company and its business, and also contains indemnities given by the Company and the Investment Manager to Stifel and indemnities given by the Company to the Investment Manager, each in a form customary for this type of agreement. Stifel is entitled to terminate the Placing Agreement in certain specified circumstances.

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

## **6.2 Receiving Agent Agreement**

The Receiving Agent Agreement dated 2 February 2017 between the Company and Capita Asset Services pursuant to which the Receiving Agent has agreed to act as receiving agent to the Company in connection with the Offer for Subscription.

The Receiving Agent Agreement provides for the payment by the Company of the fees and charges of the Receiving Agent. Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fee at an hourly rate of £250 per hour (subject to a separate minimum advisory fee of £2,500), plus a processing fee per application. The Receiving Agent will also be entitled to reimbursement of all reasonable out-of-pocket expenses reasonably incurred by it in connection with its duties. These fees will be for the account of the Company.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liability under the Receiving Agent Agreement is limited (with certain exceptions) to an amount equal to the lesser of £250,000 and five times the fees paid to the Receiving Agent thereunder.

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

## **6.3 Wembley Forward Funding Agreement**

Pursuant to a sale and purchase agreement dated 17 June 2016 between GCP Apex Limited, Fulton Wembley Limited and the Company, the Group committed to acquire Scape Wembley. Completion of the site acquisition in respect of Scape Wembley occurred on 28 September 2016.

Simultaneously with the entry into the sale and purchase agreement the same parties entered into the Wembley Forward Funding Agreement. The Wembley Forward Funding Agreement was conditional upon completion of the site acquisition in respect of Scape Wembley, which condition was satisfied on 28 September 2016.

The Wembley Forward Funding Agreement provides for Fulton Wembley Limited to develop Scape Wembley as a 580 bed 28 story student accommodation facility in accordance with plans and specifications annexed to the Wembley Forward Funding Agreement. GCP Apex Limited is responsible for the development costs, up to a maximum sum.

The Company agreed to guarantee the performance by GCP Apex Limited of its obligations under the Wembley Forward Funding Agreement and the sale and purchase agreement.

The sale and purchase agreement and Wembley Forward Funding Agreement are governed by the laws of England and Wales.

#### **6.4 Placing Agreement between the Company, the Investment Manager and Stifel in relation to the 2016 Placing Programme (the “2016 Placing Agreement”)**

The 2016 Placing Agreement dated 29 April 2016 between the Company, the Investment Manager and Stifel, pursuant to which, Stifel agreed to use its reasonable endeavours to procure places in the 2016 Placing Programme and the Investment Manager agreed, *inter alia*, to use its reasonable endeavours to make introductions to potential places in the 2016 Placing Programme, each on the terms and subject to the conditions set out in the 2016 Placing Agreement.

Under the 2016 Placing Agreement, the Company agreed to pay Stifel and the Investment Manager certain fees and also aggregate commissions equal to £160,000 and 1.5 per cent. of the gross proceeds raised from each placing under the 2016 Placing Programme.

Stifel was paid from such fees and commissions set out above, a fee of £30,000 for the provision of corporate finance services and a placing commission of 1.20 per cent. of the gross proceeds raised from each placing under the 2016 Placing Programme, together with any applicable VAT. Pursuant to the 2016 Placing Agreement, Stifel was entitled to rebate any part of its commissions and fees to third parties.

The Investment Manager was paid from the fees and commissions set out above a fee of £110,000 in connection with the provision of transaction management and documentation services and a commission of 0.30 per cent. of the gross proceeds raised from each placing under the 2016 Placing Programme, together with any applicable VAT, in connection with marketing and investor introduction services. The Investment Manager appointed Highland Capital Partners to assist it with its marketing and investor introduction services and paid any fees due to Highland Capital Partners out of the fees it received from the Company.

The 2016 Placing Agreement contained warranties given by the Company and the Investment Manager to Stifel as to the accuracy of the information contained in the prospectus relating to the 2016 Placing Programme and other matters relating to the Company and its business, and also contains indemnities given by the Company and the Investment Manager to Stifel and indemnities given by the Company to the Investment Manager, each in a form customary for this type of agreement. Stifel was entitled to terminate the 2016 Placing Agreement in certain specified circumstances.

The 2016 Placing Agreement is governed by the laws of England and Wales.

#### **6.5 Sponsor Agreement (the “2016 Sponsor Agreement”) between the Company, the Investment Manager and Stifel in relation to the migration of the Company from the Specialist Fund Segment to a listing on the premium listing segment of the Official List and to trading on the London Stock Exchange plc’s main market for listed securities (the “Migration”)**

The 2016 Sponsor Agreement dated 13 September 2016 between the Company, the Investment Manager and Stifel, pursuant to which, Stifel agreed to act as sponsor to the Company in connection with the Migration.

Under the 2016 Sponsor Agreement, the Company agreed to pay Stifel fees of £40,000 together with any applicable VAT in connection with the Migration.

The 2016 Sponsor Agreement contained warranties given by the Company and the Investment Manager to Stifel as to certain matters relating to the Company and its business, and also contains indemnities given by the Company and the Investment Manager to Stifel, in a form customary for this type of agreement. Stifel was entitled to terminate the 2016 Sponsor Agreement in certain specified circumstances.

The 2016 Sponsor Agreement is governed by the laws of England and Wales.

## 6.6 Engagement letter between the Company and the Investment Manager in relation to the Migration (the “2016 GCP Engagement Letter”)

The 2016 GCP Engagement Letter dated 13 September 2016 between the Company and the Investment Manager, pursuant to which, the Investment Manager agreed to provide certain services to the Company in connection with the Migration.

Under the 2016 GCP Engagement Letter, the Company agreed to pay the Investment Manager fees of £25,000 together with any applicable VAT in connection with the Migration.

The 2016 GCP Engagement Letter contained indemnities given by the Company to the Investment Manager, in a form customary for this type of agreement.

The 2016 GCP Engagement Letter is governed by the laws of England and Wales.

## 6.7 Pricoa Facility Agreement

Pursuant to the facility agreement dated 25 September 2015 and made between, amongst others, GCP Holdco Limited (the “**Borrower**”), the parties listed therein as guarantors (together with the Borrower the “**Obligors**”) and The Prudential Insurance Company of America (as arranger, agent, security trustee and original lender) (the “**Lender**”) (the “**Pricoa Facility Agreement**”) the Lender has made available to the Borrower a term loan facility of up to £130 million (the “**Pricoa Loan**”).

The purpose of the Pricoa Loan was/is to (1) refinance certain properties, (2) finance the acquisition of Scape Shoreditch, (3) pay for fees, costs and expenses in connection with the Pricoa Facility Agreement and (4) be used by the Borrower for its working capital and/or general purposes.

The Pricoa Loan is repayable on 30 September 2024 (the “**Repayment Date**”).

Subject to the terms of the Pricoa Facility Agreement, interest is payable on the Pricoa Loan for each interest period at the percentage rate per annum equal to the greater of (i) the aggregate of the margin (being 1.34 per cent. per annum) and the relevant LIBOR swap rate or (ii) 3.02 per cent per annum. The interest payment dates are 20 February, 20 May, 20 August and 20 November and the Repayment Date.

The Pricoa Facility Agreement contains undertakings, representations and warranties customary for a loan of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets of the Obligors (this restriction is subject to certain customary exemptions);
- (b) restrictions on the disposal of assets (this restriction is subject to certain customary exemptions); and
- (c) financial covenants concerning loan-to-value and interest service cover.

The Pricoa Facility Agreement includes various events of default customary for a secured facility of this nature, including insolvency events of default. An event of default that is continuing would entitle the Lender to:

- (a) cancel all or part of the total commitments under the Pricoa Loan; and/or
- (b) declare that all or part of the amounts outstanding under the finance documents be immediately due and payable; and/or
- (c) declare that all or part of the Pricoa Loan be payable on demand; and/or
- (d) take or direct the Lender (in its capacity as security trustee) to exercise any or all of the rights, remedies, powers or discretions of the finance parties under the finance documents.

The Pricoa Loan is secured by:

- (a) each first ranking debenture over the assets of an Obligor in favour of the Lender as security trustee;
- (b) each share charge granted in favour of the Lender as security trustee over the entire issued share capital of the Borrower and each guarantor incorporated under English law;
- (c) each share security interest agreement in favour of the Lender as security trustee granting security over the shares of an Obligor under the Pricoa Facility Agreement incorporated in Guernsey;



- (d) each security interest agreement governed by Guernsey law in favour of the Lender as security trustee granted by an Obligor;
- (e) each subordinated debt security assignment granted by a subordinated creditor (as such term is defined in the Pricoa Facility Agreement) in favour of the Lender as security trustee; and
- (f) each receivables security interest agreement governed by Guernsey law granted by an Obligor in favour of the Lender as security trustee.

The Pricoa Facility Agreement is governed and construed in accordance with English law.

#### 6.8 Forward Purchase Agreement

The Forward Purchase Agreement dated 14 April 2016 between Danehurst The Pad 3 Limited, GCP RHUL 2 Limited and the Company pursuant to which the Group committed to acquire the Forward Purchase Asset subject to the fulfilment of certain conditions and the Company agreed to guarantee the performance by GCP RHUL 2 Limited of its obligations under the agreement.

The Group is required to acquire the Forward Purchase Asset when, amongst other things, building works have been completed and the development has achieved lettings of 75 per cent. or more of its study bedrooms.

The purchase price to be paid by the Group for the Forward Purchase Asset is based on a multiple of the net income of the Forward Purchase Asset at such time as the development achieves lettings of 75 per cent. or more of its study bedrooms assuming full occupancy. In the event that the development is not fully occupied, the consideration attributable to the net income shortfall will be deducted from the purchase price and held as a retention in an escrow account and on any such unoccupied rooms being let in the relevant academic year, monies will be released to the seller from the retention accordingly.

Pursuant to the terms of the Forward Purchase Agreement, subject to certain exceptions, completion of the acquisition of the Forward Purchase Asset shall take place 30 Business Days after satisfaction of all of the conditions referred to in the Forward Purchase Agreement and subject to an extension of time of 12 months for GCP RHUL 2 Limited to obtain satisfactory funding.

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

#### 6.9 The Investment Management Agreement

The Investment Management Agreement dated 12 April 2013 and amended and restated on 1 April 2014, 26 January 2015, 29 May 2015, 25 September 2015 and 27 October 2016 between the Company and the Investment Manager pursuant to which the Investment Manager was appointed as the investment manager to the Company and as the Company's AIFM for the purposes of AIFMD.

Under the Investment Management Agreement, the Investment Manager provides certain investment management services, including recommending and regularly reviewing the Company's investment policy, making investment recommendations to the Board, identifying potential investments for the Company and performing and/or procuring all due diligence in relation to potential investments for the Company. The Company is under no obligation to follow the Investment Manager's advice.

In addition, the Investment Manager is responsible, *inter alia*, for the following:

- maintaining a website showing, *inter alia*, the NAV from time to time of the Shares;
- presenting to meetings of the Board in relation to: (i) performance of existing projects; and (ii) opportunities in relation to new projects;
- monitoring the financial and property market generally;
- overseeing the accounting, reporting and tax advisory services provided by third party service providers who are engaged by the Company in the ordinary course of business and to provide those service providers with the information they need to calculate the Company's NAV; and
- conducting investor relationship management activities, including making presentations to existing and potential investors and intermediaries.

The Investment Management Agreement is terminable by the Company on not less than 12 months' written notice to the Investment Manager at any time, such notice to expire no earlier than six years from 27 October 2016, and is terminable by the Investment Manager on not less than 12 months' written notice to the Company at any time, such notice to expire no earlier than 31 October 2025. If the ordinary resolution to continue the Company's business as presently constituted, to be proposed at the fifth annual general meeting of the Company in 2018, is not passed, then the Investment Management Agreement will be terminable upon twenty four months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager.

If any key person of the Investment Manager providing services to the Company should die or otherwise become incapacitated or shall retire, resign or otherwise cease to provide services to the Company, the Investment Manager shall have 30 business days to nominate an individual with significant relevant experience as a replacement for approval by the Company and the Company, in its absolute discretion, shall approve or decline the nomination within ten business days. If the Company declines the nomination to replace two successive key persons, the Company may terminate the Investment Management Agreement on giving 60 business days written notice to the Investment Manager.

The Investment Manager is entitled to receive from the Company, in respect of its services provided under the Investment Management Agreement, a management fee payable quarterly in arrears calculated at an annual rate of one per cent. of the prevailing NAV. The Investment Manager, is also entitled to a fee in relation to its services provided to the Company in its role as the Company's AIFM comprising: (a) a fee of £15,000 per annum, paid quarterly within 5 business days of the publication of the relevant quarter NAV such fee to automatically increase on 1 January each year at the rate of the RPI prevailing at that time; and (b) a fee of £7,500 per annum, paid quarterly within 5 Business Days of the publication of the relevant quarter NAV such fee to be reviewed on 1 September in each year in respect of any increase to be paid in the subsequent year.

The Investment Manager will not, in the absence of fraud, negligence or wilful default on its part or on the part of its employees, be liable for any loss, damage, cost, claim or expenses sustained or suffered by the Company as a result, or in the course of, the discharge of its duties pursuant to the Investment Management Agreement. In addition, the Company has agreed to indemnify the Investment Manager and its employees from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence, or wilful default on the part of the Investment Manager or its employees) incurred in performing their obligations or duties pursuant to the Investment Management Agreement.

The Investment Manager or any associate of the Investment Manager or any directors, officers, employees, agents and affiliates of any of them (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Company, including with regard to the allocation of investment opportunities to different clients. Whenever such conflicts arise, the Investment Manager shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated, fairly. Each such conflict will be fully disclosed to the Company by the Investment Manager provided that such disclosure does not breach the rules of the FCA.

Neither the Investment Manager nor, *inter alia*, any employee of the Investment Manager, may (while the Investment Management Agreement is in force) without the express prior written consent of the Company act as the adviser, manager or sponsor of any fund or entity that may invest in assets within the scope of the Company's investment policy or engage in any activity which may compete in the same or substantially similar investment area as the Company.

The Investment Manager will, subject to such insurance being available in the market at commercial rates, maintain, at the cost of the Company, professional indemnity insurance to cover each and every professional liability which may arise under the Investment Management Agreement, with a limit of indemnity of not less than £10 million in aggregate. This

professional indemnity insurance will be maintained for a period expiring not less than six years after the winding up of the Company or the termination of the Investment Management Agreement, whichever is the earlier.

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

#### **6.10 The placing and offer agreement in relation to an open offer, placing and offer for subscription of C Shares (“2015 Issue”)**

The placing and offer agreement dated 29 May 2015 between the Company, the Investment Manager and Cenkos Securities plc (“**Cenkos**”), pursuant to which, subject to certain conditions, Cenkos agreed to use reasonable endeavours to procure subscribers for C shares of one pence each in the capital of the Company at a price of 100 pence per C share.

The placing and offer agreement was terminable by Cenkos in certain customary circumstances. The Company appointed Cenkos as financial adviser and placing agent to the Company in connection with the 2015 Issue.

In consideration for its services in relation to the 2015 Issue, Cenkos was paid a corporate finance fee and a commission of 1.5 per cent. of the gross proceeds raised pursuant to the 2015 Issue.

The Company and the Investment Manager gave warranties to Cenkos concerning, *inter alia*, the accuracy of the information contained in the prospectus published by the Company in connection with the 2015 Issue. The Company and the Investment Manager also gave indemnities to Cenkos. The warranties and indemnities given by the Company and the Investment Manager were standard for an agreement of the nature of the placing and offer agreement.

The placing and offer agreement was governed by the laws of England and Wales.

#### **6.11 The Depositary Agreement**

The Depositary Agreement dated 22 July 2014 was entered into between the Company, the Investment Manager and Langham Hall UK LLP and subsequently novated from Langham Hall UK LLP to Langham Hall UK Depositary LLP on 23 April 2015 pursuant to which the Company appointed the Depositary to act as the sole depositary of the Company and be responsible for: (i) ensuring the Company’s cash flows are properly monitored; (ii) the safe keeping of Custody Assets and the Non-custody Assets of the Company entrusted to it (which it shall hold on trust for the Company); and (iii) the oversight and supervision of the Investment Manager and the Company.

Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of £44,000 per annum (exclusive of VAT). The fee will be increased in line with RPI on 1 January in each year. The Depositary is entitled to reimbursement of all expenses (exclusive of VAT) properly incurred in connection with its duties.

The Depositary Agreement is terminable by either the Company and/or the Investment Manager or the Depositary giving to the other not less than six months’ written notice. The Depositary Agreement may be terminated with immediate effect by either the Company, the Investment Manager or the Depositary on the occurrence of certain events, including *inter alia*: (i) if the other party has committed a material breach of the terms of the Depositary Agreement and where such breach is capable of being remedied, shall not have been remedied within 30 days after service in writing requiring the same to be remedied; or (ii) in the case of insolvency of either the Depositary, the Investment Manager or the Company.

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

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

#### **6.12 The Pipeline Agreement**

The Pipeline Agreement dated 12 April 2013 between Scape Student Living and the Company pursuant to which Scape Student Living has undertaken to use its reasonable endeavours to procure that the owner or owners of the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and

branded under the 'Scape Student Living' brand enter into right of first offer agreements in respect of such assets as soon as practicable following completion of their practical completion.

Under the agreement, each party has limited termination rights for material breach and insolvency of the other party.

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

#### 6.13 The Administration Agreements

##### *Capita Sinclair Henderson Limited*

The administration agreement dated 12 April 2013 between the Company and Capita Sinclair Henderson Limited pursuant to which Capita Sinclair Henderson Limited agreed to act as administrator to the Company.

Capita Sinclair Henderson Limited has been appointed as the administrator to the Company and its onshore subsidiaries and provides the day-to-day administration for these entities.

Under the terms of the administration agreement, Capita Sinclair Henderson Limited is entitled to an administration fee of £83,500 per annum (exclusive of VAT).

The administration agreement contains provisions whereby the Company indemnifies and holds harmless Capita Sinclair Henderson Limited, its affiliates and their directors, officers, employees and agents from and against any and all losses incurred by such parties resulting or arising from the administration agreement except to the extent that any such claims have resulted from the negligence, fraud, breach of the administration agreement or wilful default of any such person. Further, the liability of the administrator to the Company under the administration agreement is limited (with certain exceptions) to £1,000,000.

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

##### *Belasko Administration Limited*

Belasko Administration Limited has been appointed as administrator to the Company's offshore subsidiaries and provides the day-to-day administration for these entities.

Under the terms of its administration agreement, Belasko Administration Limited is entitled to an administration fee of £95,600 per annum (exclusive of VAT). The administration agreements are terminable upon three months' written notice.

The administration agreements are governed by the laws of Guernsey.

#### 6.14 The Secretary Agreement

The Secretary Agreement dated 10 April 2013 (varied by addendum agreements dated 3 December 2013 and 5 July 2016) between the Company and Capita pursuant to which the Secretary has been appointed to act as secretary to the Company.

The Secretary is entitled to a company secretarial fee of £60,000 per annum (exclusive of VAT) in respect of the Company, £1,750 per annum (exclusive of VAT) in respect of each onshore subsidiary and an additional fee of £2,000 per annum (exclusive of VAT) payable in respect of GCP Operations Limited, subject to an annual RPI increase. The secretarial agreement is terminable upon six months' written notice.

The Secretary Agreement contains provisions whereby the Company indemnifies and holds harmless Capita, its affiliates and their directors, officers, employees and agents from and against any and all losses incurred by such parties resulting or arising from the Secretary Agreement and, in addition, any third party claims relating to or arising from or in connection with the Secretary Agreement or the services contemplated therein except to the extent that any such claims have resulted from the negligence, fraud, breach of the Secretary Agreement or wilful default of any such person. Further, the liability of Capita to the Company under the Secretary Agreement is limited (with certain exceptions) to the lesser of (a) £1,000,000 and (b) an amount equal to ten times the annual fee paid to the Secretary thereunder.

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

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

#### **6.15 The Registrar Agreement**

The Registrar Agreement dated 12 April 2013 between the Company and Capita Asset Services pursuant to which the Registrar has agreed to act as registrar to the Company.

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.70 per Shareholder account per annum, subject to a minimum fee of £5,156 per annum (exclusive of VAT) thereafter. The fee is subject to increase in line with the RPI. The Registrar is also entitled to activity fees under the Registrar Agreement.

The Registrar Agreement may be terminated on six months' notice and is also terminable on three months' notice in the event of breach of the agreement (which has not been remedied within 45 days' written notice of such breach) or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is limited (with certain exceptions) to the lesser of (a) £1,000,000 and (b) an amount equal to ten times the annual fee paid to the Registrar thereunder.

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

### **7 RELATED PARTY TRANSACTIONS**

Save for entry into the Investment Management Agreement, the Placing Agreement, the 2016 Placing Agreement, the 2016 GCP Engagement Letter and certain transactions between the Company and its Subsidiaries, the Company has not entered into any related party transaction at any time during the period from incorporation to the Latest Practicable Date.

### **8 LITIGATION**

There were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the twelve months immediately preceding the date of this document which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

### **9 WORKING CAPITAL**

The Company is of the opinion that, after taking into account existing available facilities to the Group, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this document.

### **10 NO SIGNIFICANT CHANGE**

Save to the extent disclosed below, as at the date of this document, there has been no significant change in the financial or trading position of the Company or the Group subsequent to the period covered by the historical financial information.

On 15 June 2016, GCP Apex Limited, a new wholly owned subsidiary of the Company, was incorporated and on 17 June 2016 GCP Apex Limited exchanged contracts to acquire the site in respect of Scape Wembley and entered into the Forward Funding Agreement in relation to, Scape Wembley on the same date. On 28 September 2016, GCP Apex Limited completed the site acquisition in respect of Scape Wembley.

On 16 September 2016 the Company was admitted to the Premium Listing segment of the Official List and transferred from trading on the Specialist Fund Segment to trading on the Premium Segment of the main market of the London Stock Exchange.

The independent Valuer completed valuations of the Company's property portfolio as at 30 September 2016 and 31 December 2016. Pursuant to such valuations, the independent Valuer valued the Company's property portfolio at £449.9 million and £465.7 million respectively, compared to the valuation of £424.8 million as at 30 June 2016.

On 20 December 2016, 16,428,572 Shares were issued by the Company at a price of 140 pence per Share.

The Company declared, and on 5 September 2016 paid, a fourth interim dividend of 1.43 pence per Share in respect of the quarter ended 30 June 2016. In respect of dividends relating to the current financial year, the Company has paid or declared dividends totaling 2.86 pence per Share for the interim period to 31 December 2016.

## **11 EMPLOYEES**

As at the Latest Practicable Date, the Group employed 86 persons.

## **12 GENERAL**

- 12.1 No Director has any interest in the promotion of, or in any property acquired or proposed to be acquired by, the Company.
- 12.2 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the London Stock Exchange (being the exchange on which the Shares are currently traded).
- 12.3 Stifel is acting as sponsor and placing agent in relation to the Initial Issue and the 2017 Placing Programme. Stifel has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 12.4 PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT are the reporting accountants to the Company. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants of England and Wales. PricewaterhouseCoopers LLP holds no Shares in the Company and has no right to subscribe (or to nominate any person to subscribe) for Shares.
- 12.5 Ernst & Young LLP of 1 More London Place, London, SE1 2AF are the statutory auditor of the Group and have been the only auditors of the Company since its incorporation. Ernst & Young LLP is a member of the Institute of Chartered Accountants of England and Wales. Ernst & Young LLP holds no Shares in the Company and has no right to subscribe (or to nominate any person to subscribe) for Shares.
- 12.6 The Valuer has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears and has authorised the contents of the report for the purposes of Prospectus Rule 5.5.3R(2)(c). The Valuer accepts responsibility for the Valuation. To the best of the knowledge and belief of the Valuer (who has taken all reasonable care to ensure that such is the case), the information contained in the Valuation Report is in accordance with the facts and does not omit anything likely to affect the import of such information. The Valuer was incorporated in England and Wales on 3 November 2003 under the Limited Liability Partnership Act 2000 (registered number OC305934). The Valuer holds no shares in the Company and has no right to subscribe (or to nominate any person to subscribe) for shares.
- 12.7 The Company confirms that there has been no material change in the valuation of the Company's properties since the date of the Valuation Report.
- 12.8 The Company's current properties are, and future properties will be, held via subsidiaries of the Company. No custodian, trustee or other fiduciary is appointed in respect of the Company's properties.
- 12.9 The Investment Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 12.10 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **13 AVAILABILITY OF THIS DOCUMENT**

Copies of this document are available, for inspection only from the date of this document from the National Storage Mechanism ([www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm)) and may be obtained from the date of this document until the Final Admission Date from the registered office of the Company.

### **14 DOCUMENTS AVAILABLE FOR INSPECTION**

14.1 Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the Final Admission Date:

- (a) the memorandum of association of the Company and the Articles;
- (b) the Valuation Report;
- (c) the consolidated financial statements of the Group for the financial period from the incorporation of the Company to 30 June 2014;
- (d) the consolidated financial statements of the Group for the financial period from 1 July 2014 to 30 June 2015;
- (e) the consolidated financial statements of the Group for the financial period from 1 July 2015 to 30 June 2016; and
- (f) this document.

Dated: 2 February 2017

## PART 9

### DEFINITIONS AND GLOSSARY

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

<b>2016 Placing Agreement</b>	as defined in paragraph 6.4 of Part 8 of this document
<b>2016 GCP Engagement Letter</b>	as defined in paragraph 6.6 of Part 8 of this document
<b>2016 Placing Programme</b>	the placing programme to issue up to 65 million Shares, in connection with which the Company published a prospectus on 29 April 2016
<b>2017 Placing Programme</b>	the proposed programme of placings of up to 200 million Shares, as described in this document
<b>2016 Sponsor Agreement</b>	as defined in paragraph 6.5 of Part 8 of this document
<b>Administration Agreements</b>	the administration agreements between the Company and the Administrators, a summary of which is set out in paragraph 6.13 of Part 8 of this document
<b>Administrators</b>	Capita Sinclair Henderson Limited and Belasko Administration Limited
<b>Admission</b>	admission of the Shares pursuant to the Initial Issue or a Placing under the 2017 Placing Programme to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
<b>AIC</b>	Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance
<b>AIC Guide</b>	the AIC Corporate Governance Guide for Investment Companies
<b>AIFM</b>	an alternative investment fund manager
<b>AIFMD</b>	Directive 2011/61/EU on Alternative Investment Fund Managers
<b>Application Form</b>	the application form attached to this document for use in connection with the Offer for Subscription
<b>Articles</b>	the articles of association of the Company
<b>Asset and Facilities Managers</b>	Scape Student Living and Collegiate
<b>Asset and Facilities Management Agreements</b>	the Scape Agreements and the Collegiate Agreement and <b>Asset and Facilities Management Agreement</b> shall be construed accordingly
<b>Business Day</b>	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
<b>Capita Asset Services</b>	a trading name of Capita Registrars Limited
<b>capital gains tax or CGT</b>	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
<b>certificated or in certificated form</b>	not in uncertificated form
<b>City Code</b>	the City Code on Takeovers and Mergers
<b>COB Rules</b>	the Conduct of Business Rules contained in the FCA Handbook
<b>Collegiate</b>	Collegiate Accommodation Consulting Limited
<b>Collegiate Agreement</b>	the agreement between GCP WL Limited and Collegiate dated 16 December 2014 in relation to the provision of asset and facilities management services in respect of Water Lane Apartments
<b>Companies Act or Act</b>	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
<b>Company</b>	GCP Student Living plc



<b>Continuation Resolution</b>	has the meaning given to it in paragraph 15 of Part 1 of this document
<b>CREST Manual</b>	the compendium of documents entitled “CREST Manual” issued by Euroclear from time-to-time
<b>CREST</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>CRS</b>	the Common Reporting Standard developed by the OECD, as implemented by the International Tax Compliance Regulations 2015
<b>CTA 2009</b>	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
<b>CTA 2010</b>	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
<b>Custody Assets</b>	(i) all financial instruments which are not capable of being physically delivered to the Depositary but that can be registered or held in an account directly or indirectly in the name of the Depositary and are transferable securities including those which embed derivatives, money market instruments or units of collective investment undertakings; and (ii) all financial instruments belonging to the Company or the Investment Manager acting on its behalf, which are capable of being physically delivered to the Depositary
<b>Depositary</b>	Langham Hall UK Depositary LLP, in its capacity as the Company’s depositary
<b>Depositary Agreement</b>	the depositary agreement between the Company, the Investment Manager and the Depositary, a summary of which is set out in paragraph 6.11 of Part 8 of this document
<b>Directors or Board of Directors or Board</b>	the board of directors of the Company
<b>direct let agreements</b>	direct leases and/or licences for a dwelling with students
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance published by the FCA and the transparency rules made by the FCA under Section 73A of FSMA
<b>Distribution</b>	any dividend or other distribution on or in respect of the shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made
<b>Distribution Transfer</b>	a disposal or transfer (however effected) by a Person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no Person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder
<b>Distribution Transfer Certificate</b>	a certificate in such form as the Directors may specify from time to time to the effect that the relevant person has made a Distribution Transfer, which certificate may be required by the Directors to satisfy them that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution
<b>ERISA</b>	U.S. Employee Retirement Income Security Act of 1976, as amended
<b>EU</b>	the European Union
<b>Euro</b>	the lawful currency of the EU
<b>Euroclear</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>Excess Charge</b>	in relation to a Distribution which is paid or payable to a Person, all tax or other amounts which the Directors consider may become payable by the Company under Section 551 of the CTA

	2010 and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that Person
<b>FATCA</b>	the Foreign Account Tax Compliance Act and regulations and laws relating thereto
<b>FCA</b>	the Financial Conduct Authority
<b>Final Admission Date</b>	1 February 2018, or such earlier date or time (a) at which the maximum number of Placing Shares to be issued pursuant to the 2017 Placing Programme have been issued, or (b) as determined by the Directors
<b>Forward Purchase Agreement</b>	the agreement dated 14 April 2016 between Danehurst The Pad 3 Limited, GCP RHUL 2 Limited and the Company pursuant to which the Group committed to acquire the Forward Purchase Asset subject to the fulfilment of certain conditions
<b>Forward Purchase Asset or Podium</b>	the freehold property situated at Middle Hill, Egham, Surrey TW20 0JG and comprising Sandy Lodge, The Cedars and Ingle Cottage, and referred to as 'Podium, Royal Holloway, London'
<b>FRI</b>	full repairing and insuring
<b>FSL</b>	the Financial Services (Jersey) Law 1998, as amended
<b>FSMA</b>	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
<b>general meeting</b>	a general meeting of Shareholders
<b>Group</b>	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010
<b>Gross Assets</b>	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time
<b>hard nominations agreement</b>	a long term marketing arrangement with an HEI to place their students in private accommodation, typically of between 2 and 30 years in duration
<b>HEI</b>	higher education institute
<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>IFRS</b>	international financial reporting standards as adopted by the European Union
<b>Initial Admission</b>	admission of the Initial Issue Shares to be issued pursuant to the Initial Issue to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
<b>Initial Asset Partners</b>	Stephen Ellis, Nick Parker, Tom Ward, Rollo Wright, Ronan Kierans, Adam Brockley, Paul Williams, Edward Andrews, Robert Austin, Peter Copley, Nigel Taeo and Chris Taeo, being the ultimate beneficial owners of Mile End Investment Limited Partnership
<b>Initial Issue</b>	the Initial Placing and the Offer for Subscription
<b>Initial Issue Price</b>	140.0 pence per Share
<b>Initial Issue Shares</b>	the Shares to be issued pursuant to the Initial Issue
<b>Initial Placing</b>	the placing of Shares at the Initial Issue Price, as described and made on the terms and conditions set out in this document
<b>interest in the Company</b>	includes, without limitation, an interest in a Distribution made or to be made by the Company
<b>Investment Management Agreement</b>	the investment management agreement dated 12 April 2013 and amended and restated on 1 April 2014, 26 January 2015, 29 May 2015, 25 September 2015 and 27 October 2016 between the

	Company and the Investment Manager, a summary of which is set out in paragraph 6.9 of Part 8 of this document
<b>Investment Manager</b>	Gravis Capital Partners LLP
<b>IPO Admission</b>	the admission of 70,100,001 Shares to trading on the London Stock Exchange (Specialist Fund Segment) which took place on 20 May 2013
<b>ISA</b>	a UK individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
<b>ISIN</b>	International Securities Identification Number
<b>Latest Practicable Date</b>	31 January 2017 (the latest practicable date prior to the publication of this document)
<b>Let</b>	the grant of a lease or licence to occupy
<b>LIBOR</b>	the London Interbank Offered Rate
<b>Listing Rules</b>	the listing rules made by the UK Listing Authority under section 73A of FSMA
<b>London Stock Exchange or LSE member account ID</b>	London Stock Exchange plc the identification code or number attached to any member account in CREST
<b>Market Abuse Regulation Migration</b>	EU Market Abuse Regulation (594/2014) as defined in paragraph 6.5 of Part 8 of this document
<b>Minimum Gross Proceeds</b>	£42,500,000
<b>Multiple Dwelling Relief</b>	a tax relief pursuant to which the rate of SDLT is fixed by reference to the average consideration for multiple purchases of dwellings rather than the aggregate consideration
<b>NAV or Net Asset Value</b>	the value, as at any date, of the assets of the Company less its total liabilities (excluding the impact of interest rate hedging contracts and the mark to market valuation of the Group's debt) valued in accordance with the accounting policies adopted by the Company from time to time
<b>NAV per Share</b>	at any time, the NAV attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury)
<b>net initial yield</b>	the annual rent from a property divided by the combined total of its acquisition price and expenses (which include, among other factors, legal fees, surveys, debt breakage costs and any applicable SDLT)
<b>Non-Custody Assets</b>	assets which, in accordance with applicable national law, are only directly registered in the name of the Group with the issuer itself as agent, such as a registrar or a transfer agent
<b>Non-PID Dividend</b>	a distribution by the Company which is not a PID
<b>OECD</b>	the Organisation for Economic Co-operation and Development
<b>Offer or Offer for Subscription</b>	the offer for subscription of Shares at the Initial Issue Price as described and on the terms and conditions set out in this document
<b>Official List</b>	the official list of the UK Listing Authority
<b>Overseas Person</b>	a potential investor who is not resident in, or who is not a citizen of, the UK
<b>PID or Property Income Distribution</b>	the distribution by the Company of the profits of the Company's Property Rental Business by way of a dividend in cash or the issue of share capital in lieu of a cash dividend in accordance with Section 530 of the CTA 2010

<b>Pipeline Agreement</b>	the agreement dated 12 April 2013 between Scape Student Living and the Company pursuant to which Scape Student Living has undertaken to use its reasonable endeavours to procure that the owner or owners of the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and branded under the 'Scape Student Living' brand enter into right of first offer agreements in respect of such assets as soon as practicable following completion of their practical completion
<b>Placee</b>	a person subscribing for Shares under the Initial Placing or the 2017 Placing Programme
<b>Placing</b>	any placing of Placing Shares under the 2017 Placing Programme
<b>Placing Agreement</b>	the placing agreement between the Company, the Investment Manager and Stifel, a summary of which is set out in paragraph 6.1 of Part 8 of this document
<b>Placing Price</b>	the price per Placing Share determined in respect of any Placing
<b>Placing Shares</b>	any Shares to be issued pursuant to the 2017 Placing Programme
<b>Premium Listing</b>	a listing on the Official List which complies with the requirements of the Listing Rules for a premium listing
<b>Pricoa</b>	Prudential Insurance Company of America
<b>Pricoa Debt Facility</b>	the debt facility made available to the Group under the terms of the Pricoa Facility Agreement
<b>Pricoa Facility Agreement</b>	the agreement between, <i>inter alia</i> , the Company and Pricoa dated 25 September 2015 setting out the terms of the Pricoa Debt Facility, a summary of which is set out in paragraph 6.7 of Part 8 of this document
<b>Property Rental Business</b>	as defined in section 519 of CTA 2010
<b>Prospectus Directive</b>	the EU Prospectus Directive 2003/71/EC
<b>Prospectus Rules</b>	the prospectus rules made by the Financial Conduct Authority under Section 73A of FSMA
<b>Receiving Agent</b>	Capita Asset Services, a trading name of Capita Registrars Limited
<b>Register</b>	the register of members of the Company
<b>Registrar</b>	Capita Asset Services in its capacity as the Company's registrar
<b>Registrar Agreement</b>	the registrar agreement between the Company and the Registrar dated 12 April 2013, a summary of which is set out in paragraph 6.15 of Part 8 of this document
<b>Regulation S</b>	Regulation S promulgated under the U.S. Securities Act
<b>Regulatory Information Service</b>	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
<b>REIT or Real Estate Investment Trust</b>	a Group UK REIT as defined in Part 12 of the CTA 2010
<b>Relevant Member State</b>	a member state of the European Economic Area which has implemented the Prospectus Directive
<b>Relevant Registered Shareholder</b>	a Shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
<b>Reporting Obligation</b>	any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company's status, or the Group's status as a REIT

<b>Residual Business</b>	that part of the business of companies within a REIT that is not part of the Property Rental Business
<b>RICS</b>	Royal Institution of Chartered Surveyors
<b>RPI</b>	Retail Price Index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated on a monthly basis by the Office of National Statistics
<b>Scape Agreements</b>	the asset and facilities management agreements entered into with Scape Student Living in relation to each of the Scape Standing Assets
<b>Scape East</b>	the student residential property comprising 588 dwellings, teaching facilities and restaurants at 438 – 490 Mile End Road, London E1 4PE known as “ <b>Scape East</b> ”
<b>Scape Greenwich</b>	the student residential property comprising 280 dwellings, at Bear Point, 2 East Parkside, Greenwich, London SE10 0FQ known as “ <b>Scape Greenwich</b> ”
<b>Scape Shoreditch</b>	the student residential property comprising 541 dwellings and commercial space at 41 Brunswick Place, London, N1 6DX known as “ <b>Scape Shoreditch</b> ”
<b>Scape Standing Assets</b>	Scape East, Scape Greenwich, Scape Shoreditch, Scape Surrey and the Pad
<b>Scape Student Living</b>	Scape Student Living Limited
<b>Scape Surrey</b>	the student residential property comprising 141 dwellings known as “ <b>Scape Surrey</b> ”, Walnut Tree Close, Guildford, GU1 4UD
<b>Scape Wembley</b>	the student residential development at Albion House and Apex House, Wembley, which will comprise c.580 dwellings upon completion and known as “ <b>Scape Wembley</b> ”
<b>SDLT</b>	stamp duty land tax
<b>SDRT</b>	Stamp Duty Reserve Tax, a transaction tax on certain electronic paperless transactions in the shares of UK companies
<b>Secretary</b>	Capita Company Secretarial Services Limited, in its capacity as the Company’s secretary
<b>Secretary Agreement</b>	the secretary agreement between the Company and the Secretary dated 10 April 2013, a summary of which is set out in paragraph 6.14 of Part 8 of this document
<b>Shareholder</b>	a holder of Shares
<b>Shares</b>	ordinary shares of one pence each in the capital of the Company having the rights and being subject to the restrictions set out in the Articles
<b>SIPP</b>	a self-invested personal pension as defined in Regulation 3 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001
<b>soft nominations agreement</b>	a <i>pari passu</i> marketing arrangement with an HEI to place their students in private accommodation
<b>Specialist Fund Segment</b>	the Specialist Fund Segment of the London Stock Exchange
<b>SSAS</b>	a small self-administered scheme as defined in Regulation 2 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991
<b>Sterling or £</b>	the lawful currency of the United Kingdom
<b>Stifel</b>	Stifel Nicolaus Europe Limited
<b>Subsequent Admission</b>	any Admission of Placing Shares issued under the 2017 Placing Programme

<b>Subsidiaries</b>	GCP Brunswick Limited, GCP Scape East Limited, GCP Operations Limited, Leopard Guernsey Greenwich JV Limited, Leopard Guernsey Greenwich Limited, Leopard Guernsey Greenwich 2 Limited, GCP RHUL Limited, GCP RHUL 2 Limited, GCP SG Limited, GCP Topco Limited, GCP Holdco Limited, Old Street Acquisitions Limited, Leopard Guernsey Old Street Limited, Leopard Guernsey Old Street 2 Limited, GCP WL Limited, GCP Apex Limited and GCP Brunswick 2 Limited
<b>Substantial Shareholder</b>	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under Section 551 of the CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such person including any holder of excessive rights as defined in Section 553 of the CTA 2010
<b>Substantial Shareholding</b>	the Shares in relation to which or by virtue of which (in whole or in part) a person is a Substantial Shareholder
<b>Takeover Code</b>	the UK City Code on Takeovers and Mergers
<b>Target Asset</b>	as defined on page 45 of this document
<b>The Pad</b>	the student residential properties at 57, 59 and 71 Egham Hill, Egham known as “ <b>The Pad</b> ”
<b>The Pad 1</b>	the student residential property at 71 Egham Hill, Egham
<b>The Pad 2</b>	the student residential property at 57 and 59 Egham Hill, Egham
<b>UCAS</b>	the Universities and Colleges Admissions Service
<b>UK Corporate Governance Code</b>	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
<b>UK Listing Authority or UKLA</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>UK Money Laundering Regulations</b>	the UK Money Laundering Regulations 2007, as amended
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States of America, United States, US or U.S.</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>U.S. Tax Code</b>	U.S. Internal Revenue Code, as amended
<b>U.S. Investment Company Act</b>	U.S. Investment Company Act of 1940, as amended
<b>U.S. Person</b>	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
<b>U.S. Securities Act</b>	U.S. Securities Act of 1933, as amended
<b>U.S.\$ or \$</b>	the lawful currency of the United States of America
<b>Valuation Report</b>	the valuation report prepared by the Valuer in relation to the Scape Standing Assets, Water Lane Apartments and Scape Wembley, as set out at Part 6 of this document
<b>Valuer</b>	Knight Frank LLP, in its capacity as the Company’s valuer
<b>VAT</b>	value added tax
<b>Water Lane Apartments</b>	the property at Water Lane Apartments, Bristol, BS1 6HS, known as “ <b>Water Lane Apartments</b> ”
<b>Wembley Forward Funding Agreement</b>	the agreement dated 17 June 2016 between GCP Apex Limited, Fulton Wembley Limited and the Company pursuant to which the Group committed to fund the development of Scape Wembley

## PART 10

### TERMS AND CONDITIONS OF THE INITIAL PLACING AND THE 2017 PLACING PROGRAMME

#### 1 INTRODUCTION

- 1.1 For the purpose of this Part 10, the term 'Placing Shares' shall mean Shares to be issued pursuant to the Initial Placing or any Placing under the 2017 Placing Programme.
- 1.2 Placing Shares are available under the Initial Placing at the Initial Issue Price and the 2017 Placing Programme at the relevant Placing Price. The Placing Shares will, when issued and fully paid, include the right to receive dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.3 Each Placee which confirms its agreement (whether orally or in writing) to Stifel to subscribe for Placing Shares under the Initial Placing or the 2017 Placing Programme (as applicable) will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.4 The Company and/or Stifel may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a "Placing Letter").

#### 2 AGREEMENT TO SUBSCRIBE FOR PLACING SHARES

- 2.1 A Placee agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by Stifel at the Initial Issue Price or the relevant Placing Price (as applicable), conditional on:
  - (a) in the case of the Initial Placing:
    - (i) Initial Admission occurring by 8.00 a.m. on 24 February 2017 (or such later time and/or date, not being later than 8.00 a.m. on 29 March 2017, as the Company and Stifel may agree);
    - (ii) the Minimum Gross Proceeds being raised; and
    - (iii) the Placing Agreement not having been terminated in accordance with its terms, and
  - (b) in the case of any Placing under the 2017 Placing Programme:
    - (i) Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment being in place;
    - (ii) the Placing Price being not less than the prevailing published NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions);
    - (iii) the Company having a placing agreement or equivalent arrangement in place at the time of the issue;
    - (iv) a valid supplementary prospectus being published by the Company when required; and
    - (v) the relevant Subsequent Admission of the Placing Shares issued pursuant to the allotment.

In circumstances where these conditions are not fully met, the relevant issue of Placing Shares pursuant to the 2017 Placing Programme will not take place.

- 2.2 To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.
- 2.3 There is no minimum or maximum subscription.

#### 3 PAYMENT FOR PLACING SHARES

- 3.1 Each Placee must pay the Initial Issue Price or the relevant Placing Price (as applicable) for the Placing Shares issued to the Placee in such manner and by the time directed by Stifel. If

any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Placing Shares may, at the discretion of Stifel, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.

- 3.2. Each Placee is deemed to agree that if it does not comply with its obligation to pay the Initial Issue Price or the relevant Placing Price (as applicable) for the Placing Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Stifel elects to accept that Placee's application, Stifel may sell all or any of the Placing Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Stifel's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

#### **4 REPRESENTATIONS AND WARRANTIES**

By agreeing to subscribe for Placing Shares, each Placee which enters into a commitment to subscribe for Placing Shares will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Investment Manager, Stifel and the Registrar that:

- 4.1 in agreeing to subscribe for Placing Shares under the Initial Placing or the 2017 Placing Programme (as applicable), it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company and/or the Initial Placing or the 2017 Placing Programme (as applicable). It agrees that none of the Company, the Investment Manager, Stifel or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares under the Initial Placing or the 2017 Placing Programme (as applicable), it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, Stifel or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing or the 2017 Placing Programme (as applicable);
- 4.3 it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Placing Shares on the terms and subject to the conditions set out in this Part 10 and the Articles as in force at the date of Admission of the relevant Shares;
- 4.4 it has not relied on Stifel or any person affiliated with Stifel in connection with any investigation of the accuracy of any information contained in this document;
- 4.5 it acknowledges that the content of this document is exclusively the responsibility of the Company and its Directors and neither Stifel nor any person acting on their respective behalf nor any of its respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing or the 2017 Placing Programme based on any information, representation or statement contained in this document or otherwise;
- 4.6 it acknowledges that no person is authorised in connection with the Initial Placing or the 2017 Placing Programme to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or Stifel;
- 4.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at



any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);

- 4.8 if it is within the United Kingdom, it is (i) a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Placing Shares may otherwise lawfully be offered under such Order or (ii) is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook;
- 4.9 if it is a resident in the EEA (other than the United Kingdom): (a) it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive; and (b) if that Relevant Member State has implemented the AIFMD, that it is a person to whom the Placing Shares may lawfully be marketed under the AIFMD or under the applicable implementing legislation (if any) of that Relevant Member State;
- 4.10 if it is within the Bailiwick of Guernsey, it is a person licensed under any of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended);
- 4.11 in the case of any Placing Shares acquired by a Placee as a financial intermediary within the EEA (other than the United Kingdom) as that term is used in Article 3(2) of the Prospectus Directive: (a) the Placing Shares acquired by it in the Initial Placing or the 2017 Placing Programme (as applicable) have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the 2010 PD Amending Directive, or in circumstances in which the prior consent of Stifel has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.12 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no document is being issued by Stifel in connection with the Initial Placing or the 2017 Placing Programme in its capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.13 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving, the United Kingdom;
- 4.14 it is aware of the provisions of the Criminal Justice Act 1993 regarding insider dealing, the Market Abuse Regulation and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.15 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Shares or possession of this document (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.16 that, save in the event of fraud on the part of Stifel, neither Stifel, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to such Placee or any of its clients for any matter arising out of Stifel’s role as placing agent or otherwise in connection with the Initial Placing and/or the 2017 Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law such Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which such investor or any of its clients may have in respect thereof;
- 4.17 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;

- 4.18 the commitment to subscribe for Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Initial Placing or the 2017 Placing Programme (as applicable) and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Initial Placing or the 2017 Placing Programme;
- 4.19 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- 4.20 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Placing Shares under the Initial Placing or the 2017 Placing Programme and will not be any such person on the date any such agreement to subscribe under the Initial Placing or 2017 Placing Programme (as applicable) is accepted;
- 4.21 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Initial Placing or the 2017 Placing Programme or the Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.22 it acknowledges that neither Stifel nor any of its affiliates, nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing or the 2017 Placing Programme or providing any advice in relation to the Initial Placing or the 2017 Placing Programme and participation in the Initial Placing or the 2017 Placing Programme (as applicable) is on the basis that it is not and will not be a client of Stifel and that Stifel does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Initial Placing or the 2017 Placing Programme nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Initial Placing or the 2017 Placing Programme (as applicable);
- 4.23 it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to subscribe for the Placing Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (c) to receive on behalf of each such account any documentation relating to the Initial Placing or the 2017 Placing Programme (as applicable) in the form provided by the Company and/or Stifel. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- 4.24 it irrevocably appoints any director of the Company and any director of Stifel to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares for which it has given a commitment under the Initial Placing or the 2017 Placing Programme (as applicable), in the event of its own failure to do so;
- 4.25 it accepts that if the Initial Placing or the 2017 Placing Programme (as applicable) does not proceed or the conditions to the Placing Agreement are not satisfied or the Placing Shares for which valid applications are received and accepted are not admitted to trading on the London Stock Exchange for any reason whatsoever then neither Stifel, nor the Investment Manager, nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.26 in connection with its participation in the Initial Placing or the 2017 Placing Programme (as applicable) it has observed all relevant legislation and regulations;
- 4.27 it acknowledges that Stifel and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.28 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Stifel and the Company and their respective affiliates will rely upon the

truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Placing Shares are no longer accurate, it shall promptly notify Stifel and the Company;

- 4.29 where it or any person acting on behalf of it is dealing with Stifel, any money held in an account with Stifel on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Stifel to segregate such money, as that money will be held by Stifel under a banking relationship and not as trustee;
- 4.30 any of its clients, whether or not identified to Stifel, will remain its sole responsibility and will not become clients of Stifel for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.31 it accepts that the allocation of Placing Shares shall be determined by Stifel in its absolute discretion (in consultation with the Company and the Investment Manager) and that Stifel may scale down any commitments for this purpose on such basis as it may determine; and
- 4.32 time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Initial Issue or the 2017 Placing Programme (as applicable).

## 5 UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

- 5.1 By participating in the Initial Issue or the 2017 Placing Programme (as applicable), each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Manager, the Registrar and Stifel that:
  - 5.1.1 it is either: (i) not a U.S. Person or located in the United States and it acknowledges that the Shares are being offered or sold outside the United States in reliance on Regulation S; or (ii) is a U.S. Person to whom Shares may be offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States;
  - 5.1.2 it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;
  - 5.1.3 it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
  - 5.1.4 unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (a) an “**employee benefit plan**” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a “**plan**” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Placing Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
  - 5.1.5 if any Placing Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend

substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:

**“GCP STUDENT LIVING PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE US INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT ARE SUBJECT TO PART 4 OF TITLE I OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED”;**

- 5.1.6 if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of any Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which: (a) will not require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the Company constituting “plan assets” within the meaning of ERISA, that are subject to Part 4 of Title I of ERISA or Section 4975 of the Internal Revenue Code. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 5.1.7 it is purchasing the Placing Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 5.1.8 it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person’s status under U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under U.S. securities laws to transfer such Shares or interests in accordance with the Articles;
- 5.1.9 it acknowledges and understands the Company is required to comply with FATCA and the CRS and that the Company will follow FATCA’s and/or the CRS’s extensive reporting and withholding requirements. The Placee agrees to provide the Company at the time or times prescribed by applicable law and at such time or times reasonably requested by the Company such information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA and the CRS;
- 5.1.10 it is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Placing Shares and that it has

not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, the Registrar, Stifel or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Initial Placing or the 2017 Placing Programme (as applicable) or its acceptance of participation in the Initial Placing or the 2017 Placing Programme (as applicable);

5.1.11 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Placing Shares to or within the United States or to any U.S. Persons, nor will it do any of the foregoing; and

5.1.12 if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

5.2 The Company, the Investment Manager, the Registrar, Stifel and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

5.3 If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company and Stifel.

## **6 MONEY LAUNDERING**

Each Placee acknowledges and agrees that:

6.1 its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (a) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (b) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the “**Money Laundering Directive**”); or (c) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive; and

6.2 due to anti-money laundering requirements, Stifel and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Stifel and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Stifel and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it.

## **7 THE DATA PROTECTION ACT**

7.1 Each Placee acknowledges and agrees that, pursuant to The Data Protection Act 1998 (the “**DP Act**”) the Company and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used. The Registrar will only use such information for the purposes set out below (collectively, the “**Purposes**”), being to:

7.1.1 process its personal data (including sensitive personal data) as required by or in connection with its holding of Shares, including processing personal data in connection with credit and money laundering checks on it;

7.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Shares;

7.1.3 provide personal data to such third parties as the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Shares or as the DP Act may require, including to third parties outside the EEA;

- 7.1.4 without limitation, provide such personal data to the Company or the Investment Manager and their respective associates for processing, notwithstanding that any such party may be outside the EEA; and
- 7.1.5 process its personal data for the Registrar's internal administration.
- 7.2 By becoming registered as a holder of Shares a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above. In providing the Registrar with information, it hereby represents and warrants to the Registrar that it has obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 7).

## **8 SUPPLY AND DISCLOSURE OF INFORMATION**

If Stifel, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Placing Shares under the Initial Placing or the 2017 Placing Programme (as applicable), such Placee must promptly disclose it to them.

## **9 NON UNITED KINGDOM INVESTORS**

- 9.1 If the Placee is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing or the 2017 Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Initial Placing or the 2017 Placing Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration, qualification, publication or other regulatory or legal requirements.
- 9.2 The offer and sale of Placing Shares have not been, and will not be, registered under the applicable securities laws of the United States, Australia, Canada, the Republic of South Africa or Japan. The Placing Shares may not be offered, sold or delivered, directly or indirectly within the United States or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction in the United States, or within Australia, Canada, the Republic of South Africa or Japan or to any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

## **10 MISCELLANEOUS**

- 10.1 The rights and remedies of the Company, the Investment Manager, Stifel and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 10.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing or the 2017 Placing Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 10.3 Each Placee agrees to be bound by the Articles once the Placing Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing or the 2017 Placing Programme (as applicable), have been acquired by the Placee. The contract to subscribe for Placing Shares under the Initial Placing or the 2017 Placing Programme (as applicable) and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, Stifel and the Registrar, each

Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

- 10.4 In the case of a joint agreement to subscribe for Placing Shares under the Initial Placing or the 2017 Placing Programme, references to a “Placee” in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 10.5 Stifel and the Company expressly reserve the right to modify the Initial Placing or the 2017 Placing Programme (including, without limitation, the timetable and settlement) at any time. The Initial Placing and the 2017 Placing Programme are subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 6.1 of Part 8 of this document.

## PART 11

### TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

#### 1. INTRODUCTION

Shares are available under the Offer for Subscription at a price of 140.0 pence per Share.

Applications must be made on the application form (the “**Application Form**”) attached at the end of this document (the “**Prospectus**”) or otherwise published by the Company. Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Board.

If you are a new investor, in addition to completing and returning the Application Form to Capita Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The “tax residency self-certification – individuals” form can be found at Appendix 2 of this document, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

**It is a condition of any Application under the Offer for Subscription that (where applicable) a completed version of the relevant form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Offer for Subscription Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company after the Offer for Subscription closes at 1.00 p.m. on 21 February 2017. It will then be the Company’s decision if these Application Forms can be accepted under the Offer for Subscription.**

#### 2. EFFECT OF APPLICATION

Applications under the Offer for Subscription must be for Shares with a minimum subscription amount of 1,000 Shares and thereafter in multiples of 100 Shares. Multiple applications will not be accepted.

##### 2.1 Offer to acquire Shares

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

- (a) offer to subscribe for such number of Shares at 140.0 pence per Share as may be purchased by the subscription amount specified in Box 1B on your Application Form (being a minimum of 1,000 Shares); or such smaller number for which such application is accepted, on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application and the memorandum and articles of association of the Company in force from time to-time;
- (b) agree that, in consideration of the Company agreeing that it will not, prior to the date of Initial Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in the Prospectus, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Application Form;
- (c) undertake to pay the subscription amount specified in Box 1B on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Shares applied for in certificated form or be entitled to commence dealing in Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall not



constitute an acceptance of your application under the Offer for Subscription and shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and Stifel against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque in your favour at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

- (d) agree, that where on your Application Form a request is made for Shares to be deposited into a CREST account (a “**CREST Account**”), (i) the Company may in its absolute discretion issue such Shares in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent, the Company or Stifel may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST Account in respect of the number of Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- (e) agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1(d) above to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1(d) above (and any monies returnable to you) may be retained by the Receiving Agent:
- pending clearance of your remittance;
  - pending investigation of any suspected breach of the warranties contained in paragraphs 2.5(a), (b), (f), (h), (m), (n), (o), (p) or (q) below or any other suspected breach of these Terms and Conditions of Application in respect of the Offer for Subscription; or
  - pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the UK Money Laundering Regulations 2007, as amended (“**Money Laundering Regulations**”) and any other regulations applicable thereto,
- and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (f) agree, on the request of the Receiving Agent to disclose promptly in writing to them such information as the Company and/or Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- (g) agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- (h) agree that you are not applying on behalf of a person engaged in money laundering or any sanctioned individual or entity;
- (i) undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified

- by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- (j) undertake to pay interest at the rate described in paragraph 2.2 below if the remittance accompanying your Application Form is not honoured on first presentation;
  - (k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or if you have completed Section 2B on your Application Form, but subject to paragraph 2.1(d) above, to deliver the number of Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
  - (l) confirm that you have read and complied with paragraph 2.7 below;
  - (m) agree that all subscription cheques and payments will be processed through a bank account (the “**Acceptance Account**”) in the name of “**Capita Registrars Limited re: GCP Student Living plc – Offer for Subscription a/c**” opened by the Receiving Agent;
  - (n) agree that your Application Form is addressed to the Company and the Receiving Agent;
  - (o) acknowledge that the offer to the public of Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Shares);
  - (p) agree that if a fractional entitlement to a Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit; and
  - (q) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

## 2.2 **Acceptance of your offer**

The Receiving Agent may on behalf of the Company, accept your offer to subscribe (if your application is received (and for new investors, accompanied by the validly completed Tax Residency Self-Certification Form), valid (or treated as valid), processed and not rejected) by the London Stock Exchange being notified through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis).

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

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

The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus four per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Except as provided below, payments may be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual Applicant where they have sole or joint title to the funds, should be made payable to "**Capita Registrars Limited re: GCP Student Living plc – Offer for Subscription a/c**" and crossed "**a/c Payee Only**". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect. However, third party cheques may be subject to the Money Laundering Regulations which would delay Shareholders receiving their Shares. The account name should be the same as that shown on the Application Form.

Applicants choosing to settle via CREST, that is DVP, will need to input their instructions to Capita Asset Services' Participant account RA06 by no later than 1.00 p.m. on 21 February 2017, allowing for the delivery and acceptance of Shares to be made against payment of the Initial Issue Price per Share, following the CREST matching criteria set out in the Application Form.

The maximum number of Shares available under the Initial Issue is 64,285,715. In the event that the Initial Issue is oversubscribed it would be necessary to scale back applications under the Initial Issue. Stifel (in consultation with the Company and the Investment Manager) reserves the right to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Shares pursuant to the Initial Issue.

### 2.3 Conditions

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

- (a) Initial Admission occurring by 8.00 a.m. (London time) on 24 February 2017 (or such later time and/or date, not being later than 8.00 a.m. on 29 March 2017, as the Company and Stifel may agree); and
- (b) the Placing Agreement not having being terminated in accordance with its terms.

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

### 2.4 Return of application monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest, within 14 days of Initial Admission. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

### 2.5 Warranties

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application under the Offer for Subscription and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;

- (b) represent and warrant that you have complied with the laws of all relevant territories, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction in connection with the Offer for Subscription in respect of your application;
- (c) confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- (e) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Stifel or the Receiving Agent;
- (f) represent and warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first named holder) as set out in your Application Form;
- (h) confirm that you have reviewed the restrictions contained in paragraph 2.7 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- (i) agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- (j) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company, Stifel and/or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Stifel and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- (l) agree to provide the Company with any information which it, Stifel or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including without limitation satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;
- (m) represent and warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not

taken any action which will or may result in the Company, Stifel or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;

- (n) represent and warrant to the Company that (i) you are not a U.S. Person, are not located within the United States and are not acquiring the Shares for the account or benefit of a U.S. Person; (ii) you are acquiring the Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons; and (iv) you understand and acknowledge that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act;
- (o) represent and warrant to the Company that if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Shares, you will do so only (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise, or (ii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions may be subject to the compulsory transfer provisions as provided in the Articles;
- (p) agree that the Receiving Agent is acting for the Company in connection with the Offer for Subscription and for no-one else and that it will not treat you as its customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Shares or concerning the suitability of the Shares for you or be responsible to you for the protections afforded to their customers;
- (q) represent and warrant that you (i) are highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the Shares, (ii) fully understand the risks associated with such investment and (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- (r) represent and warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Shares;
- (s) represent and warrant that the information contained in the Application Form is true and accurate; and
- (t) agree that if you request that Shares are issued to you on a date other than Initial Admission and such Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Shares on a different date.

## 2.6 Money Laundering

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

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

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

If you use a building society cheque or banker’s draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the

person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp.

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

For the purpose of the Money Laundering Regulations a person making an application for Shares will not be considered as forming a business relationship with the Company or the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.

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

## **2.7 Non-United Kingdom investors**

If you receive a copy of the Prospectus or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

None of the Shares have been or will be registered under the laws of Canada, Japan, Australia, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Shares you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S. Person or a resident of Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the U.S., Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Shares for the account of any U.S. Person or resident of Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S. Person or person resident in Canada, Japan, Australia or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, Japan, Australia or the Republic of South Africa.

Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send it to any U.S. Person or in or into Canada, Japan, Australia, the Republic of South Africa, the U.S. or any other jurisdiction where to do so would or might contravene local securities law or regulations.

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

## **2.8 The Data Protection Act 1998**

Pursuant to the Data Protection Act 1998 (the "DP Act") the Company and/or the Registrar may hold personal data (as defined in the DP Act) relating to past and present shareholders.

Such personal data held is used by the Registrar to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and other distributions to Shareholders; and (b) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

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

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

## **2.9 Miscellaneous**

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

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

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 1.00 p.m. on 21 February 2017. In that event, the new closing time and/or date will be notified to applicants.

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

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

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

## **NOTES ON HOW TO COMPLETE THE APPLICATION FORM**

**Applications should be returned to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. (London time) on 21 February 2017.**

If you are a new investor, in addition to completing and returning the Application Form to Capita Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The “tax residency self-certification – individuals” form can be found at Appendix 2 of this document, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

**It is a condition of any Application under the Offer for Subscription that (where applicable) a completed version of the relevant form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Offer for Subscription Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company after the Offer for Subscription closes at 1.00 p.m. on 21 February 2017. It will then be the Company’s decision if these Application Forms can be accepted under the Offer for Subscription.**

**SHAREHOLDER HELPLINE:** If you have a query concerning completion of this Application Form please call Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### **1. APPLICATION**

Fill in (in figures) in Box 1A the number of Shares being subscribed for and in Box 1B the monetary amount. The monetary amount being subscribed must be a minimum of 1,000 Shares multiplied by 140.0 pence and thereafter in multiples of 100 Shares multiplied by 140.0 pence. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from any scaling back should this be required.

### **2A. HOLDER DETAILS**

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

### **2B. CREST**

If you wish your Shares to be deposited in a CREST Account in the name of the holders given in Section 2A, enter in Section 2B the details of that CREST Account. The CREST Account must be in the same name(s) as the details of the Holder(s) of Shares provided in Box(es) 2A and 3. If you are not a CREST Participant or CREST Sponsored Member, you should leave Section 2B blank and you will automatically receive a share certificate for your Shares.



### 3. SIGNATURE

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

### 4. SETTLEMENT

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

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "**Capita Registrars Limited re: GCP Student Living plc – Offer for Subscription a/c**" and crossed "**a/c Payee Only**". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect. However, third party cheques may be subject to the Money Laundering Regulations which would delay Shareholders receiving their Shares. The account name should be the same as that shown on the application.

#### (b) *Crest Settlement*

Applicants choosing to settle via CREST, that is DVP, will need to input their instructions to Capita Asset Services' Participant account RA06 by no later than 1.00 p.m. on 21 February 2017. You or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Shares to be made against payment at the Initial Issue Price per Share, following the CREST matching criteria set out in the Application Form. You must also ensure that you or your settlement agent/custodian have a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/their own daily trading and settlement requirements.

### 5. RELIABLE INTRODUCER DECLARATION

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

### 6. IDENTITY INFORMATION

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

## **7. CONTACT DETAILS**

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

**INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS** – Completed Application Forms should be returned, by post or by hand (during normal business hours only), to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. (London time) on 21 February 2017, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least four business days for delivery. Application Forms received after this date may be returned.

## APPENDIX 1 – APPLICATION FORM

Please send this completed form by post or by hand (during normal business hours only) to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. (London time) on 21 February 2017.

The Directors may, with the prior approval of Stifel, alter such date and thereby shorten or lengthen the offer period. In the event that the offer period is altered, the Company will notify investors of such change.

Important: Before completing this form, it is strongly recommended that you should read the Prospectus dated 2 February 2017 and the Terms and Conditions of Application under the Offer for Subscription set out in the Prospectus and accompanying notes to this form.

To: GCP Student Living plc and the Receiving Agent

<b>Box 1A</b> minimum subscription of 1,000 Shares and multiples of 100 thereafter
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<b>Box 1B:</b> Amount payable (being the number in box 1A multiplied by the Initial Issue Price being 140.0 pence per Share)
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### 1. APPLICATION

I/We the person(s) detailed in Section 2A below offer to subscribe the amount shown in Box 1B for Shares subject to the Terms and Conditions of Application under the Offer for Subscription set out in the Prospectus dated 2 February 2017 and subject to the memorandum and articles of association of the Company in force from time-to-time.

### 2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED

(BLOCK CAPITALS)

1:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:
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Address (in full):
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	Postcode:
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Designation (if any):
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2:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:
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3:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:
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4:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:
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**2B. CREST ACCOUNT DETAILS INTO WHICH SHARES ARE TO BE DEPOSITED (IF APPLICABLE)**

Only complete this Section if Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 2A.

(BLOCK CAPITALS)

CREST Participant ID: 

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CREST Member Account ID: 

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**3. SIGNATURE(S): ALL HOLDERS MUST SIGN**

By completing box 3 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 11 of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranties, representations and undertakings set out therein.

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

**Execution by a Company**

Executed by (Name of Company):		Date:
Name of Director:	Signature:	Date:
Name of Director/Secretary:	Signature:	Date:
If you are affixing a company seal, please mark a cross <input type="checkbox"/>	Affix Company Seal here:	

**4A. CHEQUE/BANKER’S DRAFT**

Attach to this form your cheque or banker’s draft for the exact amount shown in Box 1B made payable to “**Capita Registrars Limited re: GCP Student Living plc – Offer for Subscription a/c**” and crossed “**A/C Payee Only**”. Cheques and banker’s payments must be drawn in Sterling on an account at a bank branch in the United Kingdom and must bear the appropriate bank sort code number in the top right hand corner. If you use a banker’s draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker’s draft or cheque and adds its stamp.

**4B. CREST SETTLEMENT BY DELIVERY VERSUS PAYMENT (DVP)**

Only complete this Section if you choose to settle your application within CREST, that is delivery versus payment (DVP). Instructions must be received by the party given in Section 2A for the amount detailed in Box 1B.

Please indicate the CREST Participant ID from which the DEL message will be received by the Receiving Agent for matching.

CREST Participant ID: 

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You or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Shares to be made against payment at the Initial Issue Price per Share, following the CREST matching criteria set below:

Trade Date:	22 February 2017
Settlement Date:	24 February 2017
Trade system of origin:	Leave blank
SDRT status:	No SDRT, Result of Corporate Action
Company:	GCP Student Living plc
Security Description:	ordinary shares of one pence each
SEDOL:	B8460Z4
ISIN code:	GB00B8460Z43
TIDM:	DIGS
CREST Instruction Type:	DEL

You should input your instructions to Capita Asset Services Participant account ID RA06 as soon as possible and in any event to ensure the DEL message is input by no later than 1.00 p.m. on 21 February 2017.

Capita will not take any action until a valid DEL message is received to participant ID RA06.

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

#### **5. RELIABLE INTRODUCER DECLARATION**

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in Section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "**firm**") which is itself subject in its own country to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.



**DECLARATION:**

**To the Company and the Receiving Agent**

With reference to the holder(s) detailed in Section 2A, all persons signing at Section 3 and the payor identified in Section 6 if not also a holder (collectively the “**subjects**”) **WE HEREBY DECLARE:**

1. we operate in the United Kingdom, or in a country where money laundering regulations under the laws of that country are, to the best of our knowledge, no less stringent than those which prevail in the United Kingdom and our firm is subject to such regulations;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential business address(es) of the holder(s) given at Section 2A and if a CREST Account is cited at Section 2B that the owner thereof is named in Section 2A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Shares mentioned; and
6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed:	Name:	Position:
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Name of regulatory authority:	Firm's licence number:
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Website address or telephone number of regulatory authority:
STAMP of firm giving full name and business address:

**6. IDENTITY INFORMATION**

If the declaration in Section 5 cannot be signed, please enclose with that Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named Applicant.

Holders				Payor

Tick here for documents provided

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

**A. For each holder being an individual enclose:**

- (1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- (2) an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in Section 2A is that person’s residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

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**B. For each holder being a company (a “holder company”) enclose:**

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company’s principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company’s business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than five per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a “beneficiary company”), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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**C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4).**

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**D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:**

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

**E. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:**

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and
- (3) an explanation of the relationship between the payor and the holder(s).

The Receiving Agent reserves the right to ask for additional documents and information.

**7. CONTACT DETAILS**

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

Contact name:	E-mail address:
Contact address:	
	Postcode:
Telephone No:	Fax No:



## APPENDIX 2 – TAX RESIDENCY SELF-CERTIFICATION FORM (INDIVIDUALS)

Please send this completed form by post or by hand (during normal business hours only) to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. (London time) on 21 February 2017.

Name of Company in which shares are held:	GCP Student Living plc		
<b>Investor code</b> <i>e.g. 00000999999 This can be found on your share certificate or tax voucher</i>			
<b>Part 1 – Identification of Individual Shareholder</b> <i>A separate form is required for each holder</i>			
Name of Holder:			
Address of Holder:			
<b>A. Please provide your Tax Residence Address – If different from above</b>			
Address: <i>Include your Postal or ZIP Code &amp; Country:</i>			
<b>B. Date of Birth</b> <i>(DD/MM/YYYY)</i>			
<b>Part 2 – Country/Countries of Residence for Tax Purposes</b>			
<b>Country of residence for tax purposes</b>	<b>Tax Identification Number</b> <i>In the UK this would be your NI number</i>		
1	1		
2	2		
3	3		
4	4		
<b>Part 2b – US Person</b> Please mark the box ONLY if you are a US Person (see Definitions) <input type="checkbox"/>			
<b>Part 3 – Declarations and Signature</b>			
I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.			
I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.			
I certify that I am the shareholder (or am authorised to sign for the shareholder).			
If this relates to a joint holding: I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.			
I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.			
<b>Signature:</b>			
<b>Print Name:</b>			
<b>Date:</b>			
<b>Daytime telephone number / email address</b>			

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



## Introduction

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

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

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

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

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

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

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

## Joint Holders (if relevant)

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

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

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

## Definitions

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

### "Account Holder"

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

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

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

### "Tax Identification Number or TIN"

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

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

**“US Person”**

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

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

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







