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If you have sold or otherwise transferred all of your ordinary shares of £0.01 each in the capital of the Company (“**Ordinary Shares**”), please pass this document together with the enclosed Form of Proxy to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the Ordinary Shares. However those documents should not be forwarded to or sent into the United States, Canada, Australia, the Republic of South Africa or Japan. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the UK should seek appropriate advice before taking any action.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List and the AIM Rules are less demanding than those of the Official List of the UK Listing Authority. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.**

This document does not constitute a prospectus for the purposes of the Prospectus Rules nor does it constitute an admission document prepared in accordance with the AIM Rules. Accordingly, this document has not been filed with the FCA or any other competent authority. This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any Ordinary Shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore. This document does not constitute an offer to the public of transferable securities and so is not subject to the requirements or any legislation that implements the EU Prospectus Directive.

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# **PACIFIC INDUSTRIAL & LOGISTICS REIT PLC**

*(Incorporated and registered in England and Wales with registered number 9907096)*

## **Placing and Subscription of 11,124,300 new Ordinary Shares at £1.00 per Ordinary Share, declaration of interim dividend, appointment of new Directors, redemption of Preference Shares and Notice of General Meeting**

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finnCap Limited (“**finnCap**”) which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company’s nominated adviser and broker for the purposes of the AIM Rules in connection with the Placing and the Subscription and, as such, its responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to the Directors or to any other person or entity in respect of his reliance on any part of this document.

finnCap and Radnor Capital Partners Limited (“**Radnor**”) are acting for the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of finnCap or Radnor (as appropriate) nor for providing advice in relation to the contents of this document or any matter referred to herein. No representation or warranty, express or implied, is made by finnCap or Radnor for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which they are not respectively responsible.

**This document should be read in conjunction with the Form of Proxy and the Notice of General Meeting set out at the end of this document. Your attention is drawn to the letter from the Chairman of the Company set out on pages 9 to 15 of this document containing a recommendation from the Board that you should vote in favour of the Resolutions to be proposed at the General Meeting.**

Notice of the General Meeting to be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU at 11.00 a.m. on 25 November 2016 is set out on pages 17 and 18 of this document. The accompanying Form of Proxy for use at the General Meeting should be completed in accordance with the instructions printed thereon and returned as soon as possible to the Company’s registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 11.00 a.m. on 23 November 2016. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

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## IMPORTANT NOTICE

### Forward-looking statements

This document contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "predict" or other words of similar meaning. Examples of forward-looking statements include, amongst others, statements regarding or which make assumptions in respect of the planned use of the proceeds for the Placing and the Subscription, the Group's liquidity position, the future performance of the Group, future interest rates and currency controls, the Group's future financial position, plans and objectives for future operations and any other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchanges rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals, and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as of the date they are made. These forward looking statements reflect the Company's judgement at the date of this document and are not intended to give any assurance as to future results. Except as required by the FCA, the London Stock Exchange, the AIM Rules or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

### References

All times referred to in this document are, unless otherwise stated, references to UK time.

All references in this document to "£", "pence" or "p" are to the lawful currency of the UK.

## PLACING AND SUBSCRIPTION STATISTICS

Issue Price	£1.00
Number of Placing Shares	9,499,300
Number of Subscription Shares	1,625,000
Gross proceeds of the Placing and the Subscription	£11.1 million
Number of Ordinary Shares in issue on the date of this document*	10,317,910
Number of Preference Shares in issue on the date of this document	2,000,000
Number of Ordinary Shares in issue at Admission of the Placing Shares and the Subscription Shares*	21,442,210
Number of Warrants in issue at the date of Admission of the Placing Shares and the Subscription Shares*	3,027,000
Number of Preference Shares in issue immediately following Admission of the Placing Shares and the Subscription Shares	–
Placing Shares and Subscription Shares expressed as a percentage of the Enlarged Share Capital*	51.88%

\*Assuming no Warrants are exercised on or before Admission

## EXPECTED TIMETABLE

Publication of this document	9 November 2016
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 23 November 2016
Ex-dividend date for the Interim Dividend	24 November 2016
General Meeting	11.00 a.m. on 25 November 2016
Record Date for the Interim Dividend	25 November 2016
Admission of Placing Shares and Subscription Shares	8.00 a.m. on 28 November 2016
Expected date for CREST accounts to be credited in relation to Placing Shares and Subscription Shares	28 November 2016
Redemption of the Preference Shares	28 November 2016
Dispatch of definitive share certificates (where applicable) in relation to Placing Shares and Subscription Shares	by no later 5 December 2016

### Notes:

Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions at the General Meeting.

If any of the events contained in the timetable should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>Act</b>	the Companies Act 2006, as may be amended from time-to-time
<b>Adjusted Net Asset Value per Share</b>	the Net Asset Value per Share adding back the fair-value movement of the Company's interest rate swap
<b>Admission</b>	the admission of the Placing Shares and the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>Admission Document</b>	the admission document of the Company dated 7 April 2016 and published in connection with the IPO
<b>AIFMD</b>	the Alternative Investment Fund Managers Directive (2011/61/EU), including any implementing regulations and national legislation implementing the AIFMD into a member state of the EU, as applicable
<b>AIM</b>	the market of that name operated by the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for Companies published by the London Stock Exchange governing admission to and trading on AIM, as may be amended from time-to-time
<b>AIM Rules for Nominated Advisers</b>	the AIM Rules for Nominated Advisers published by the London Stock Exchange setting out the eligibility, on-going obligations and certain disciplinary matters in relation to nominated advisers, as may be amended from time-to-time
<b>Board</b>	the board of directors of the Company
<b>CBRE</b>	CBRE Limited, a company registered in England and Wales with company number 03536032, in its capacity as the Company's independent valuer
<b>certificated or in certificated form</b>	the description of a share or security which is not in uncertificated form (that is, not in CREST)
<b>Company</b>	Pacific Industrial & Logistics REIT plc
<b>Concert Party</b>	has the meaning given to it in the Admission Document
<b>CREST</b>	the relevant systems for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the CREST Regulations
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations for the time being in force
<b>Directors</b>	the directors of the Company, whose names are set out on page 9 of this document
<b>Enlarged Share Capital</b>	the Ordinary Shares in issue immediately following the issue and allotment of the Placing Shares and Subscription Shares at Admission (assuming no Warrants are exercised before Admission)

<b>EU Prospectus Directive</b>	Directive 2003/71/EC
<b>Existing Ordinary Shares</b>	the Ordinary Shares in issue as at the date of this document
<b>FCA</b>	the Financial Conduct Authority
<b>finnCap</b>	finnCap Limited, the Company's nominated adviser and broker and financial adviser for the Placing and the Subscription
<b>Form of Proxy</b>	the form of proxy for use by Shareholders in connection with the General Meeting
<b>FSMA</b>	the Financial Services and Markets Act 2000, as may be amended from time-to-time
<b>General Meeting</b>	the general meeting of the Company convened for 11.00 a.m. on 25 November 2016 (or any adjournment or postponement thereof)
<b>Group</b>	the Company, together with its subsidiaries and subsidiary undertakings
<b>High Court</b>	the High Court of England and Wales
<b>Initial Portfolio</b>	the initial portfolio acquired by the Company on 14 April 2016, further details of which are set out in the Admission Document
<b>Interim Dividend</b>	the interim dividend declared by the Company on 9 November 2016, further details of which are set out at paragraph 4 of Part I of this document
<b>IPO</b>	the admission of the entire issued and to be issued ordinary share capital of the Company to trading on AIM, which took place on 13 April 2016
<b>Issue Price</b>	£1.00 per Placing Share and/or Subscription Share (as appropriate)
<b>loan to-value</b>	the ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>LTIP</b>	the long term incentive plan of the Company, as more particularly described at paragraph 8 of Part I of this document
<b>Management Agreement</b>	the management agreement dated 21 March 2016, between the Company and the Manager
<b>Management Team</b>	Richard Moffitt and Christopher Turner
<b>Manager</b>	Pacific Capital Partners Limited, a company registered in England and Wales with company number 02849777, the manager to the Company
<b>NIY</b>	net initial yield
<b>Notice of General Meeting</b>	the notice of General Meeting, set out at the end of this document
<b>Official List</b>	the official list of the UK Listing Authority
<b>Ordinary Shares</b>	ordinary shares of £0.01 each in the capital of the Company

<b>Pacific</b>	Pacific Investments Management Limited, a company registered in England and Wales with company number 01722436
<b>Placing</b>	the placing of the Placing Shares pursuant to the Placing Agreement
<b>Placing Agreement</b>	the placing agreement dated 9 November 2016 between (1) finnCap, (2) Radnor, (3) the Company, (4) the Manager and (5) Pacific relating to the Placing
<b>Placing Shares</b>	9,499,300 new Ordinary Shares which are to be placed in accordance with the terms of the Placing, conditional <i>inter alia</i> on the passing of Resolutions 1 and 2
<b>Preference Shareholder</b>	a person who is a holder of Preference Shares
<b>Preference Shares</b>	convertible redeemable preference shares of £0.01 each in the capital of the Company
<b>Prospectus Rules</b>	the Prospectus Rules made by the FCA under Part VI of FSMA
<b>Radnor</b>	Radnor Capital Partners Limited, capital adviser to the Company and introducing agent for the Placing
<b>Relationship Agreement</b>	the relationship agreement dated 7 April 2016 entered into between the Company, Pacific and finnCap
<b>Resolutions</b>	the resolutions set out in the Notice of General Meeting
<b>Shareholders</b>	holders of Ordinary Shares
<b>Subscription</b>	the subscription for 1,625,000 Ordinary Shares at the Issue Price issued pursuant to the terms of the Subscription Letters
<b>Subscription Letters</b>	the subscription letters dated on or around the date of this document between certain subscribers (including Pacific) and the Company
<b>Subscription Period</b>	the period beginning on the date of the Warrant Instrument and ending on 12 March 2019
<b>Subscription Price</b>	the price of £0.97 per Ordinary Share at which the Subscription Rights are exercisable during the Subscription Period (or such adjusted price as may be determined from time to time in accordance with the provisions described in Condition 3 of the Warrant Instrument)
<b>Subscription Rights</b>	the right of a Warrantholder pursuant to the Warrant Instrument to subscribe for one new Ordinary Share at the Subscription Price for every Warrant of which he is the holder
<b>Subscription Shares</b>	1,625,000 new Ordinary Shares which are to be placed in accordance with the terms of the Subscription, conditional <i>inter alia</i> on the passing of Resolutions 1 and 2
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK Listing Authority</b>	the FCA acting in its capacity as the competent authority for the purposes of FSMA
<b>Warrant</b>	certificate a certificate for Warrants in such form as may be issued by the Registrar from time to time

<b>Warrantholder</b>	a registered holder for the time being of Warrants
<b>Warrant Instrument</b>	the warrant instrument executed and delivered as a deed by the Company on or around 22 March 2016
<b>Warrants</b>	the 3,027,000 warrants, each comprising a Subscription Right in respect of one new Ordinary Share originally constituted by the Warrant Instrument or the aggregate number for the time being issued and outstanding (and a reference to a Warrant is a reference to any one of the Warrants)

## PART I

### LETTER FROM THE CHAIRMAN

# PACIFIC INDUSTRIAL & LOGISTICS REIT PLC

(Incorporated and registered in England and Wales with registered number 9907096)

*Directors:*

Jonathan Gray (*Non-Executive Chairman*)  
Richard Moffitt (*Non-Independent Non-Executive Director*)  
Bruce Anderson (*Non-Executive Director*)

*Registered Office:*

124 Sloane Street  
London  
SW1X 9BW

9 November 2016

*To holders of Ordinary Shares and, for information purposes only, to the holders of warrants to subscribe for Ordinary Shares*

Dear Shareholder

**Placing and Subscription of 11,124,300 new Ordinary Shares at  
£1.00 per Ordinary Share, declaration of interim dividend,  
appointment of new Directors, redemption of Preference Shares  
and  
Notice of General Meeting**

## 1. Introduction

The Company announced earlier today a placing and subscription of, in aggregate, 11,124,300 Ordinary Shares at 100 pence per Ordinary Share. The Issue Price represents: (i) a discount of approximately 6.54 per cent. to the closing mid-market price of 107 pence per Ordinary Share on 8 November 2016 (being the last practical date prior to the announcement of the Placing and Subscription); (ii) a discount of approximately 17.27 per cent. to the prevailing Adjusted Net Asset Value at 30 September 2016 (being the last practicable date prior to the announcement of the Placing and the Subscription), as adjusted to take into account the declaration and payment of the Interim Dividend (see paragraph 4 of this Part I for further details).

Once completed, the gross proceeds from the Placing and Subscription will be approximately £11.1 million. The intended applications of funds raised in the Placing and Subscription, after expenses, are as follows:

- approximately £2.1 million will be used to redeem the Preference Shares (see paragraph 6 of this Part I for further details);
- approximately £1.7 million will be used to reduce the Group's existing debt facility, following which it is anticipated that the Group's loan-to-value will be c.45 per cent.; and
- the balance will be used to fund future acquisitions for the Group (see paragraph 3 of this Part I for further details) and on-going expenses and the expenses of the Issue.

The allotment of the Placing Shares and Subscription Shares is conditional, *inter alia*, upon the Company obtaining approval of the Shareholders at the General Meeting to grant the Directors the authority to allot such Ordinary Shares and to disapply statutory pre-emption rights which would otherwise apply to such allotment.

The Company also announced an Interim Dividend earlier today in respect of the period from incorporation to 30 September 2016 of 3.0 pence per Ordinary Share. The interim dividend will be paid by no later than 23 December 2016 to Shareholders on the register on 25 November 2016 (which excludes, for the avoidance of doubt, any Ordinary Shares to be issued pursuant to the Placing and Subscription). The ex-dividend date will be 24 November 2016. The Interim Dividend will be paid in full as a REIT property income distribution in respect of the Group's tax exempt property rental business.

The Board is also pleased to announce that, on 1 January 2017: (i) Mr. Nigel Rich CBE will be appointed as non-executive chairman of the Company; and (ii) Mr. Mark Johnson will be appointed as a non-independent non-executive director of the Company. Please see paragraph 5 of this Part I for further details. At the same time, I will step down as chairman but shall continue to serve as a non-executive director of the Company.

The purpose of this document is to: (i) explain the background to and reasons for the Placing and the Subscription, the Interim Dividend, the appointment of new Directors and the redemption of the Preference Shares; (ii) to explain why the Board considers the Placing and the Subscription and the redemption of the Preference Shares to be in the best interests of the Company and its Shareholders; and (iii) sets out the Directors unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their beneficial interests amounting, in aggregate, to 280,000 Ordinary Shares representing 2.71 per cent. of the Existing Ordinary Shares.

## **2. Background to, and reasons for, the Placing and the Subscription**

On 7 October 2016 the Company announced that the gross asset value of the Company increased by 10.7 per cent. from £27 million at acquisition to £29.9 million, delivering a return on investment of c.24 per cent. from a 100 pence issue price to 123.87 pence Adjusted Net Asset Value per Ordinary Share as at 30 September 2016 (which excludes, for the avoidance of doubt, the payment of the Interim Dividend). The Company has significantly exceeded expectations since IPO through upward-only rent reviews and active asset management in a sector that continues to benefit from strong fundamentals post-EU referendum.

The Directors believe that the Placing and the Subscription have the following principal benefits for Shareholders:

- provides additional capital which will enable the Company to benefit from its current pipeline (see paragraph 3 of this Part I for further details);
- increases the number of Ordinary Shares in issue, which may provide Shareholders with additional liquidity and the Company with a more diversified Shareholder base; and
- enlarges the Company, thereby spreading operating costs over a larger capital base, which should reduce the Company's total expense ratio.

## **3. Portfolio update, pipeline and market outlook**

### *Portfolio update*

The Company completed its successful IPO and acquisition of the Initial Portfolio in April 2016. Working in conjunction with the tenants of the Initial Portfolio, and in line with their strategy, the Company's management team has carried out the following asset management activities: (i) signed a rent review memorandum and lease extension with one tenant in Bedford at a market leading local rent of £6 psf., increasing the annual rent psf. by 38 per cent.; (ii) introduced new lease terms on a leasehold property allowing for the build out and use of the existing property as a retail outlet; and (iii) signed a new long lease following a full refurbishment by a tenant in Bedford.

The Board commissioned an independent valuation report from CBRE. The gross asset value increased by 10.7 per cent. from £27 million at purchase to £29.9 million, delivering a return on investment of c.24 per cent. from a 100 pence issue price to 123.87 pence Adjusted Net Asset Value per Ordinary Share as at 30 September 2016 (which excludes, for the avoidance of doubt, the payment of the Interim Dividend). Management believe there is further significant upside for the Initial Portfolio.

### *Pipeline*

The Company is currently engaged in various stages of negotiations on potential acquisitions that meet the investment objective and investing policy. The management team believe these assets are complementary to the existing portfolio of the Company with low capital values in well positioned logistical locations. The Company expects to have invested the net proceeds of the Placing and the Subscription by the first quarter of 2017.

**The acquisition of any potential investments by the Company is subject, among other things, to the Company completing satisfactory due diligence and the approval of the Directors. Any such**

**acquisitions will also be subject to agreement having been reached between the Company, the Manager and the relevant counterparty as to the terms of such acquisitions. There can be no assurance that any potential investments will be purchased by the Company.**

#### *Market outlook*

There has been considerable commentary in the press on the commercial property sector as a whole. The sub sector that the Company operates in, industrial and logistics, has shown little change since the EU referendum in the view of the Directors, and the Directors are aware of a number of transactions closing at pre-referendum valuations.

The Directors believe that this sector remains less vulnerable than other real estate sectors as consumers continue to migrate online and demand for logistics remains high. With growing demand from consumers who continue to rely on e-commerce, companies have to adapt their strategies. Supply in key locations across the Midlands, and other regional locations, remains constrained and development opportunities are limited.

The Directors have identified a strong pipeline of attractive assets that are complementary to the Company's existing portfolio and located in key logistical locations. The Board believes these assets present the Company with a good opportunity to grow its portfolio in the coming months, subject to the necessary financing.

#### **4. Interim Dividend**

The Company also announced an Interim Dividend earlier today in respect of the period from incorporation to 30 September 2016 of 3.0 pence per Ordinary Share. The interim dividend will be paid by no later than 23 December 2016 to Shareholders on the register on 25 November 2016 (which excludes, for the avoidance of doubt, any Ordinary Shares to be issued pursuant to the Placing and Subscription). The ex-dividend date will be 24 November 2016. The Interim Dividend will be paid in full as a REIT property income distribution in respect of the Group's tax exempt property rental business.

At the time of the IPO, the Company stated that it intended to declare dividends on a half-yearly basis in March and September, subject to its loan-to-value being 50 per cent. or less. Accordingly, the Directors reserve the right to withdraw the Interim Dividend should the completion of the Placing and/or Subscription not take place and/or the loan-to-value is greater than 50 per cent. following the reduction of the Group's debt facility described in paragraph 1 of this Part 1 above.

#### **5. Appointment of new Directors**

The Board is also pleased to announce that, on 1 January 2017: (i) Mr. Nigel Rich CBE will be appointed as non-executive chairman of the Company; and (ii) Mr. Mark Johnson, the co-founder of Pacific, will be appointed as a non-independent non-executive director of the Company.

##### ***Mr. Nigel Rich CBE***

Nigel brings a wealth of Board experience, having operated across the globe in senior positions, most recently at Segro plc. Nigel served as the Chief Executive Officer of Trafalgar House from 1994 to 1996 and previously spent 20 years at the Jardine Matheson Group in Asia, serving as its Chief Executive from 1989 to 1994 and as a Managing Director of Jardine Matheson Holdings from 1989 to 1994. Nigel has served as the Chairman of the Board at Hamptons International and also as the Chairman of the Board of Segro plc from October 2006 until April 2016. He was a Director of Xchanging B.V. and then Deputy Chairman of Xchanging UK. He served as a Non -Executive Director of KGR Absolute Return PCC, Castle Asia Alternative PCC Ltd. and Matheson & Co. He has also served as a Member of The Takeover Panel (UK). Nigel holds a CA from the Institute of Chartered Accountants of England and Wales. Nigel will join the audit, management engagement and valuation committees.

##### ***Mr. Mark Johnson***

Mark Johnson is the CEO of Pacific which he co-founded in 1994 with Sir John Beckwith. Mark qualified as a lawyer before working in corporate finance at Barclays Merchant Bank and Barclays de Zoete Wedd. He was CEO of the Riverside Group, one of the UK's leading leisure companies, under the chairmanship of

Sir John. Mark is (and was) a founding partner and shareholder/director of Pacific's investment portfolio and private equity companies, including Liontrust, Thames River Capital, River & Mercantile, Argentex and Pacific Asset Management. Mark has worked with Sir John for over 20 years. Mark will join the valuation committee.

Part II of this document sets out the further details required to be disclosed under Rule 17 of, and paragraph (g) of Schedule 2 to, the AIM Rules for Mr. Nigel Rich CBE and Mr. Mark Johnson.

## **6. Redemption of Preference Shares**

In order to provide the Group with medium term funding at the time of the IPO, affiliates of Pacific subscribed for, in aggregate, 2 million Preference Shares at £1.00 per Preference Share. The Preference Shares are entitled to a 6 per cent. cumulative dividend payable on redemption and are redeemable at any time over a period of 18 months from the IPO.

Taking into account the net proceeds of the Placing and the Subscription, the Board believes it is in the best interests of Shareholders to redeem all of the Preference Shares following completion of the Placing and the Subscription. Accordingly, immediately following completion of the Placing and the Subscription, the Board intends to serve a compulsory redemption notice on the holders of Preference Shares in accordance with the articles of association of the Company at c.£1.0378 per Preference Share. Redemption of the Preference Shares is expected to take place on 28 November 2016. The redemption of the Preference Shares will be funded from the proceeds of the Placing and the Subscription.

The redemption of the Preference Shares is a related party transaction pursuant to the AIM Rules as Sir John Beckwith (the ultimate beneficial owner of Pacific and its affiliates) is a substantial shareholder of the Company. The Directors consider, having consulted with the Company's nominated adviser, finnCap, that the terms of the redemption of the Preference Shares are fair and reasonable insofar as the Company's shareholders are concerned.

## **7. The Management Agreement**

The Company appointed Pacific Capital Partners Limited, a member of the Pacific group, as the manager of the Company at the time of the IPO. The Manager acts as the Company's manager for the purposes of the AIFMD and certain other ancillary services. The Manager has delegated the day-to-day administration of the Company to Pacific.

Under the Management Agreement the Manager receives a management fee payable half yearly in arrears. The management fee is aligned with Shareholders as no fee is paid until Shareholders receive an annual dividend yield (by reference to the IPO issue price) of at least 6.0 per cent., following which the Manager shall receive a percentage of the excess annual yield as follows:

<i>Annual dividend yield*</i>	<i>Manager's share of excess yield</i>
From 6.0 per cent. to 7.0 per cent.	20
From 7.0 per cent. to 8.0 per cent.	25
Greater than 8.0 per cent.	30

*\*by reference to the IPO issue price.*

The annualised total running costs of the Company (excluding interest, the costs of the IPO, the Placing and the Subscription and any further fundraisings or costs associated with acquisitions and irrecoverable property costs) following completion of the Placing and the Subscription are capped to £650,000 for the financial period from incorporation to 31 March 2017.

## **8. The Long Term Incentive Plan**

The Board believes that the success of the Company depends, in part, on the future performance of the Pacific group and the Management Team. The Directors also recognise the importance of ensuring that the Pacific group and the Management Team are incentivised and identify closely with the success of the Company. Accordingly, at the time of the IPO, the Company adopted the LTIP for the benefit of the Pacific group and the Management Team.

### *Issue of the incentive shares*

Pursuant to the LTIP, at the time of the IPO, Pacific Industrial LLP (an affiliate of Pacific in which the Management Team also have a 30 per cent. interest) was issued with two classes of incentive shares in PIL (the intermediate holding company of the Group). These incentive shares entitle Pacific Industrial LLP (and indirectly Pacific and the Management Team) to share in the future growth in value of the Group.

### *Third anniversary of the IPO*

On the third anniversary of the IPO, the Company will acquire the first class of incentive shares from Pacific LLP. The price that the Company will acquire these incentive shares will be an amount equal to 20 per cent. of the increase in the price of an Ordinary Share since the IPO (adjusted to take dividends and other distributions into account) above an 8 per cent. compounding hurdle multiplied by the number of Ordinary Shares then in issue. If this class of incentive shares are underwater, they will be acquired by the Company for a nominal sum.

### *Fifth anniversary of the IPO*

On the fifth anniversary of the IPO, the Company will acquire the second class of incentive shares from Pacific LLP. The price that the Company will acquire these incentive shares will be an amount equal to 20 per cent. of the increase in the price of an Ordinary Share since the higher of: (i) the IPO above an 8 per cent. compounding hurdle from Admission ; and (ii) the third anniversary of Admission (again adjusted to take dividends and other distributions into account), above an 8 per cent. compounding hurdle from the third anniversary, multiplied by the number of Ordinary Shares then in issue. If this class of incentive shares are underwater, they will be acquired by the Company for a nominal sum.

### *Other*

The consideration for the incentive shares will be Ordinary Shares (issued at the prevailing market price) or, at the election of the Company, cash. The number of Ordinary Shares to be issued for the acquisition of the incentive shares shall not exceed 10 per cent. of the number of Ordinary Shares then in issue (with the balance being acquired for cash).

If the Manager's appointment under the Management Agreement is terminated for cause, Pacific LLP's awards under the LTIP shall automatically lapse.

## **9. The Placing and the Subscription**

9,499,300 Placing Shares have been placed with placees at the Issue Price and subscribers have subscribed for 1,625,000 Subscription Shares at the Issue Price to raise gross proceeds of c.£11.1 million. Neither the Placing nor the Subscription is underwritten.

The Issue Price represents: (i) a discount of approximately 6.54 per cent. to the closing mid-market price of 107 pence per Ordinary Share on 8 November 2016 (being the last practical date prior to the announcement of the Placing and Subscription); and (ii) a discount of approximately 17.27 per cent. to the prevailing Adjusted Net Asset Value at 30 September 2016 (being the last practicable date prior to the announcement of the Placing and the Subscription), as adjusted to take into account the declaration and payment of the Interim Dividend (see paragraph 4 of this Part I for further details).

The Placing and the Subscription is conditional, *inter alia*, on the approval of Resolutions 1 and 2 at the General Meeting of the Company to be held at 11.00 a.m. on 25 November 2016 and upon Admission of the Placing Shares and the Subscription Shares to trading on AIM. It is expected that Admission of the Placing Shares and the Subscription Shares will occur on 28 November 2016.

The Ordinary Shares issued pursuant to the Placing and the Subscription will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after their date of issue.

### *The Placing Agreement*

Pursuant to the terms of the Placing Agreement: (i) finnCap, as agent for the Company, conditionally agreed to use its reasonable endeavours to place the Placing Shares on a non-underwritten basis at the Placing Price; and (ii) Radnor conditionally agreed to use its reasonable endeavours to introduce potential Placees to finnCap.

The Placing Agreement contains certain warranties from the Company and the Manager in favour of finnCap and Radnor in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company and the Manager have agreed to indemnify finnCap and Radnor in relation to certain liabilities they may incur in respect of the Placing. finnCap has the right to terminate the Placing Agreement in certain circumstances prior to Admission including, without limitation, in the event of a breach of the Company to comply in any material respect with its obligations under the Placing Agreement, the occurrence of a force majeure event or a material adverse change in the financial condition of the Group. Under the terms of the Placing Agreement the Company has agreed to pay finnCap a corporate finance fee and commissions based on the number of Placing Shares which are the subject of the Placing and a fee to Radnor.

#### *Pacific participation in the Subscription*

Pacific, Sir John Beckwith and his affiliates, have agreed to subscribe for 750,000 Subscription Shares pursuant to the Subscription. This subscription for Ordinary Shares is a related party transaction pursuant to the AIM Rules as Sir John Beckwith (the ultimate beneficial owner of Pacific and its affiliates) is a substantial shareholder of the Company. The Directors consider, having consulted with the Company's nominated adviser, finnCap, that the terms of the subscription by Pacific, Sir John Beckwith and his affiliates are fair and reasonable insofar as the Company's shareholders are concerned.

**Shareholders should note that, following completion of the Placing and the Subscription, the Concert Party comprising Pacific, Sir John Beckwith and his affiliates will be interested in 7,600,000 Ordinary Shares (representing 35.44 per cent. of the Enlarged Share Capital). Should any member of the Concert Party acquire any further interest in Ordinary Shares (or should any one of them acquire any interest in Ordinary Shares such that they are interested in 30 per cent. of more of the voting rights of the Company), the Takeover Panel may regard this as giving rise to an obligation upon the Concert Party or that member of the Concert Party to make an offer for the entire issued share capital of the Company at a price no less than the highest price paid by any of them in the previous 12 months.**

#### **10. Directors' participation in the Subscription**

The following Directors are subscribing for Ordinary Shares pursuant to the Subscription. Their subscription for new Ordinary Shares is taking place on the same terms and conditions as the Placing.

<i>Director</i>	<i>No. of Ordinary Shares subscribed for pursuant to the Subscription</i>	<i>Resulting holding of Ordinary Shares</i>	<i>% of Enlarged Issued Ordinary Share Capital</i>
Richard Moffitt	50,000	300,000	1.4%
<i>Proposed Director</i>	<i>No. of Ordinary Shares subscribed for pursuant to the Subscription</i>	<i>Resulting holding of Ordinary Shares</i>	<i>% of Enlarged Issued Ordinary Share Capital</i>
Nigel Rich	75,000	75,000	0.3%
Mark Johnson	50,000	150,000	0.7%

The subscription for Ordinary Shares by Richard Moffitt is a related party transaction pursuant to the AIM Rules. The independent Directors (being Jonathan Gray and Bruce Anderson) consider, having consulted with the Company's nominated adviser, finnCap, that the terms of the subscription by Richard Moffitt are fair and reasonable insofar as the Company's shareholders are concerned.

#### **11. Admission and dealings**

Application will be made to the London Stock Exchange for the Placing Shares and the Subscription Shares to be admitted to trading on AIM. The Placing Shares and the Subscription Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that Admission will become effective and that dealings in the Placing Shares and the Subscription Shares will commence on 28 November 2016.

## **12. General Meeting**

A notice convening the General Meeting to be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU, at 11.00 a.m. on 25 November 2016 is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

### ***Resolutions relating to the Placing and the Subscription (Resolutions 1 and 2)***

Resolutions 1 and 2 will be proposed to grant the Directors the authority to allot the Placing Shares and the Subscription Shares (which are equivalent to approximately 51.88 per cent. of the Enlarged Share Capital) without first offering them to existing Shareholders on a pre-emptive basis.

The Directors believe it would not be in the Shareholders' best interests to incur the significant additional expense that would be required to implement a fully pre-emptive offer of Ordinary Shares to Shareholders. The Directors have therefore concluded that seeking general authority from Shareholders to issue the Placing Shares and the Subscription Shares other than on a pre-emptive basis is the most flexible and cost effective method available to the Company.

### ***Resolutions relating to general authority to allot Ordinary Shares and waiver of pre-emption rights (Resolutions 3 and 4)***

Resolutions 3 and 4 will, if passed, renew the authorities given to the Directors to allot Ordinary Shares on a non-pre-emptive basis at the time of the Company's IPO, but reflecting the increased number of Ordinary Shares comprised in the Enlarged Issued Share Capital broadly on the same terms as the equivalent resolution passed at that time. The authority sought under these Resolutions will expire at the earlier of the conclusion of the annual general meeting of the Company in 2017 or 30 September 2017.

## **13. Intention of Directors and Pacific**

The Directors intend to vote in favour of each of the Resolutions in respect of their aggregate beneficial interest in respect of 280,000 Ordinary Shares, representing approximately 2.71 per cent. of the Existing Ordinary Shares.

Pacific, Sir John Beckwith and his affiliates intend to vote in favour of each of the Resolutions in respect of their aggregate beneficial interest in respect of 6,700,000 Ordinary Shares, representing approximately 64.93 per cent. of the Existing Ordinary Shares.

## **14. Action to be taken**

A Form of Proxy for use at the General Meeting is enclosed with this document. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy and to return it to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so as to arrive not later than 11.00 a.m. on 23 November 2016. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

### ***Recommendation***

**The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the Resolutions, as they intend to do themselves in respect of their beneficial interests amounting, in aggregate, to 280,000 Ordinary Shares representing approximately 2.71 per cent. of the Existing Ordinary Shares.**

Yours sincerely

**Jonathan Gray**

*Non-Executive Chairman*

## PART II

### ADDITIONAL INFORMATION

Further details required to be disclosed under Rule 17 of, and paragraph (g) of Schedule 2 to, the AIM Rules for Mr. Nigel Rich CBE and Mr. Mark Johnson is as follows:

#### **Mr. Nigel Mervyn Sutherland Rich CBE, aged 71**

Mr Rich CBE has held the following directorships and/or been a partner in the following partnerships within the period of five years prior to the date of this document:

##### *Current directorships/partnerships*

British Empire Trust PLC  
The Tobacco Pipe Makers and Tobacco  
Trade Benevolent Fund  
Chelsea Square Garden Limited  
Matheson & Co., Limited

##### *Past directorships/partnerships*

Pacific Assets Trust PLC  
Segro plc  
The R&A Foundation  
R&A Trust Company (No.1) Limited  
R&A Trust Company (No.2) Limited  
Bank of the Philippine Islands (Europe) PLC  
R&A Championships Limited  
Xchanging Limited

Mr. Rich CBE will hold 50,000 Ordinary Shares following completion of the Placing and the Subscription.

#### **Mr. Mark Christopher Johnson, aged 58**

Mr Johnson has held, other than other companies in the Group, the following directorships and/or been a partner in the following partnerships within the period of five years prior to the date of this document:

##### *Current directorships/partnerships*

Pacific Capital Partners Limited  
London and Continental Partners LLP  
Pacific Industrial LLP  
Pacific Asset Management LLP  
Mortar Capital Limited  
MCJ Holdings Limited  
Argentex LLP  
Pacific Foreign Exchange Ltd  
Rivercrest Capital LLP  
Burlington Global Limited  
Pacific Leisure & Media Limited  
PHL 2 Limited  
Pacific and York Ltd  
Pacific Investments Limited  
Beckwith Capital Investment Limited  
Puma Asset Management Limited  
B@1 Limited  
Pacific Healthcare Limited  
Pacific Leisure, Entertainment & Media Limited  
Pacific Investments Management Ltd  
Key Rock Developments Limited

##### *Past directorships/partnerships<sup>1</sup>*

Beckwith Investment Management Limited  
River and Mercantile Group PLC  
Pacific Venture Capital LLP (Dissolved)  
Law 17151 Ltd (Dissolved)  
Law 17141 Ltd (Dissolved)  
Tryline Holdings Limited (Dissolved)  
Odyssey Venture Partners Limited  
The General Property Investment Company Limited  
River and Mercantile Asset Management LLP  
Roundshield LLP  
Property Capital Partners Europe LLP

Mr. Johnson will hold 150,000 Ordinary Shares following completion of the Placing and the Subscription.

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<sup>1</sup> Mr. Johnson was a director of Imagestate Plc at the time that the company entered administration on 13 April 2006. The company was dissolved on 15 September 2007.

## PART III

# PACIFIC INDUSTRIAL & LOGISTICS REIT PLC

*(Incorporated and registered in England and Wales with registered number 9907096)*

## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting (“**GM**”) of Pacific Industrial & Logistics REIT plc (the “**Company**”) will be held at the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU on 25 November 2016 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed, in the case of resolutions 1 and 3, as ordinary resolutions and, in the case of resolutions 2 and 4, as special resolutions):

### ORDINARY RESOLUTION

1. That the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot ordinary shares of £0.01 each in the capital of the Company (“**Ordinary Shares**”) up to an aggregate maximum nominal amount of £111,243.00 pursuant to the Placing and the Subscription (each as defined in the circular of the Company dated 9 November 2016) provided that this authority shall expire (unless renewed, varied or revoked by the company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2017.

### SPECIAL RESOLUTION

2. That, subject to the passing of resolution 1, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 1 above as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment up to an aggregate nominal amount of £111,243.00 and provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2017.

### ORDINARY RESOLUTION

3. That, subject to the passing of resolution 2, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate maximum nominal amount of £21,442.21 provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2017 save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the expiry of such authority and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired. The authority granted by this resolution shall replace the existing authority to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company previously granted to the Directors at the general meeting of the Company held on 22 March 2016 pursuant to section 551 of the Act.

### SPECIAL RESOLUTION

4. That, subject to the passing of resolution 3, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash either pursuant to the authority conferred by resolution 3 above or by way of sale of treasury shares as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to

the allotment and/or sale of equity securities up to an aggregate nominal amount of £21,442.21 and provided that this authority shall expiry (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2017 save that the Company shall be entitled to make, prior the expiry of such authority, offers or arrangements which would or might require equity securities to be allotted and/or sold after such expiry, and the Directors may allot and/or sell equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired. The authority granted by this resolution shall replace the existing authority previously granted to the directors at the annual general meeting of the Company held on 22 March 2016 to allot equity securities for cash or by way of a sale of treasury shares as if section 561(1) of the Act did not apply.

Dated: 9 November 2016

*Registered Office:*  
124 Sloane Street  
London  
SW1X 9BW

By order of the Board:  
  
Jordan Company Secretaries Limited  
*Secretary*

**Notes:**

***Proxies***

1. A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the GM. A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend, speak and vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by a member. To appoint more than one proxy, the proxy form should be photocopied and the name of the proxy to be appointed indicated on each form together with the number of Ordinary Shares that such proxy is appointed in respect of (which, in aggregate, should not exceed the number of Ordinary Shares held by the member). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. A form of proxy is enclosed with this notice. Forms of proxy may also be obtained on request from the Company's registered office. In order to be valid any proxy form appointing a proxy must be returned duly completed no later than 11.00 a.m. on 23 November 2016 (or, if the GM is adjourned, no later than 48 hours before the time fixed for the adjourned meeting), in hard copy form by post, by courier, or by hand to the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. Submission of a proxy appointment will not preclude a member from attending and voting at the GM should they wish to do so. To direct your proxy on how to vote on the resolutions, mark the appropriate box on your proxy form with an 'x'. To abstain from voting on a resolution, select the relevant 'Vote withheld' box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the GM.
3. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be returned to the office of the Company's registrar with your proxy form.

***Thresholds and entitlement to vote***

4. To be passed, ordinary resolutions require a majority in favour of the votes cast in person or by proxy at the GM and special resolutions require a majority of not less than 75 per cent. of members who vote in person or by proxy at the GM. On a show of hands every shareholder who is present in person (or being a company is present by a representative not himself a shareholder) and who is allowed to vote at a general meeting shall have one vote. Upon a poll every member holding Ordinary Shares who is present in person or by proxy (or being a company is represented) shall have one vote for every Ordinary Share of which he is the registered holder.
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those members registered in the Register of Members of the Company at 6.00 p.m. on 23 November 2016 (or if the GM is adjourned, members entered on the Register of Members of the Company no later than 48 hours before the time fixed for the adjourned GM) shall be entitled to attend, speak and vote at the GM in respect of the number of Ordinary Shares registered in his or her name at that time. Changes to entries on the register of members of the Company after 6.00 p.m. on 23 November 2016 shall be disregarded in determining the rights of any person to attend, speak or vote at the GM.
6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
7. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same Ordinary Share.
8. As at 8 November 2016, being the latest practicable date before the publication of this notice of GM, the Company's issued share capital consisted of 10,317,910 Ordinary Shares (each carrying one vote) and 2,000,000 preference shares of £0.01 each (not having the right to attend or vote at the GM). Therefore the total voting rights in the Company as at 8 November 2016 is 10,317,910.

