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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, New Zealand 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.

The Company, whose registered office appears on page 9 of this document, and the Directors, whose names also appear on page 9 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of 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.

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.

Pacific Industrial & Logistics REIT plc

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

Placing of 46,086,957 new Ordinary Shares at 115 pence per Ordinary Share, amendment to arrangements with the Manager

and

Notice of General Meeting

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 17 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 10.00 a.m. on 16 August 2017 is set out on pages 18 to 20 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 10.00 a.m. on 14 August 2017. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar (under CREST participant ID 3RA50) by no later than 10.00 a.m. on 14 August 2017. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. 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.

Canaccord Genuity Limited (“**Canaccord**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Nominated Adviser, broker and joint financial adviser to the Company in connection with the matters described in this document. Canaccord is acting exclusively for the Company in connection with arrangements described in this document. Persons receiving this document should note that Canaccord will not be responsible to anyone other than the Company for providing the protections afforded to customers of Canaccord, or for advising any other person on the arrangements described in this document.

Kinmont Limited (“**Kinmont**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint financial adviser to the Company in connection with the matters described in this document. Kinmont is acting exclusively for the Company in connection with arrangements described in this document. Persons receiving this document should note that Kinmont will not be responsible to anyone other than the Company for providing the protections afforded to customers of Kinmont, or for advising any other person on the arrangements described in this document.

Radnor Capital Partners Limited (“**Radnor**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as agent to the Placing. Radnor is acting exclusively for the Company in connection with arrangements described in this document. Persons receiving this document should note that Radnor will not be responsible to anyone other than the Company for providing the protections afforded to customers of Radnor, or for advising any other person on the arrangements described in this document.

Canaccord, Kinmont and Radnor have not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Canaccord, Kinmont or Radnor for the accuracy of any information or opinions contained in this document or for the omission of any information. No representation or warranty, express or implied, is made by Canaccord, Kinmont or Radnor as to the accuracy, completeness or verification of the information set out in this document, and nothing contained in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Canaccord, Kinmont and Radnor do not assume any responsibility for its accuracy, completeness or verification and accordingly each disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement. If you are in any doubt about the contents of this document you should consult your accountant, legal adviser or professional adviser or financial adviser. It should be remembered that the price of securities and the income from them can go up as well as down.

No Ordinary Shares have been offered or sold or will be offered or sold to persons in the United Kingdom prior to publication of this document except in circumstances which have not resulted in an offer to the public in the United Kingdom within the meaning of section 102B of the FSMA.

No public offering of the Placing Shares is being made in any jurisdiction. No action has been, or will be, taken by the Company, Canaccord, Kinmont or Radnor that would permit the offer of the Placing Shares or possession or distribution of this document, the Form of Proxy or any accompanying documents in any jurisdiction where action for that purpose is required.

The offer of the Placing Shares has not been, nor will the Placing Shares be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not been, and will not be, registered under the US Investment Company Act, and investors will not be entitled to the benefits of that Act. The Placing Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Person. In connection with the Placing, the Placing Shares are being offered and sold only outside the United States to, and for the account or benefit of, non-US persons in “offshore transactions” within the meaning of, and in reliance on the exemption from registration provided by, Regulation S under the US Securities Act.

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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, 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.

Industry, market and other data

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Group's business contained in this document consists of estimates based on: (i) data and reports compiled by professional organisations and analysts; (ii) on data from external sources; and (iii) on the Company's and the Management Team's knowledge of the UK real estate market. Information regarding the macroeconomic environment in the UK has been compiled from publicly available sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, but neither the Company, Canaccord, Kinmont nor Radnor has independently verified that data. The Company gives no assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while the Company believes its and the Management Team's internal estimates to be reasonable, they have not been verified by any independent sources and the Company cannot give any assurances as to their accuracy.

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 STATISTICS

Placing Price	115 pence
Number of Placing Shares	46,086,957
Gross proceeds of the Placing	£53.0 million
Estimated net proceeds of the Placing	£51.1 million
Number of LTIP Shares	520,557
Number of Ordinary Shares in issue as at the date of this document	21,457,210
Number of Ordinary Shares at Admission following the issue of the Placing Shares and the LTIP Shares*	68,064,724
Number of Warrants in issue at Admission*	3,012,000
Placing Shares expressed as a percentage of the Enlarged Share Capital*	67.7 per cent.
AIM Symbol	PILR
ISIN Code	GB00BYV8MN78

* Assuming no Warrants are exercised on or before Admission.

EXPECTED TIMETABLE

Publication of this document	31 July 2017
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 14 August 2017
General Meeting	10.00 a.m. on 16 August 2017
Announcement of results of General Meeting	16 August 2017
Admission of Placing Shares and the LTIP Shares	8.00 a.m. on 17 August 2017
Expected date for CREST accounts to be credited in relation to Placing Shares and the LTIP Shares	17 August 2017
Dispatch of definitive share certificates (where applicable) in relation to Placing Shares and the LTIP Shares	by no later 24 August 2017

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.

A reference to a time in this document is to London time unless otherwise stated.

DEFINITIONS

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

“Act”	the Companies Act 2006, as may be amended from time-to-time
“Admission”	the admission of the Placing Shares and, as the context requires, the LTIP Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Admission Document”	the admission document of the Company dated 7 April 2016 and published in connection with the IPO
“AIFMD”	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
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	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
“AIM Rules for Nominated Advisers”	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
“Board”	the board of directors of the Company
“Canaccord”	Canaccord Genuity Limited, the Company’s nominated adviser, joint financial adviser and sole bookrunner
“CBRE”	CBRE Limited, a company registered in England and Wales with company number 03536032, in its capacity as the Company’s independent valuer
“certificated” or “in certificated form”	the description of a share or security which is not in uncertificated form (that is, not in CREST)
“Company”	Pacific Industrial & Logistics REIT plc
“CREST”	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
“CREST Regulations”	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
“Directors”	the directors of the Company, whose names are set out on page 9 of this document
“Enlarged Share Capital”	the Ordinary Shares in issue immediately following the issue and allotment of the Placing Shares and the LTIP Shares at Admission (assuming no Warrants are exercised before Admission)
“EPRA Earnings”	the IFRS profit after taxation adjusted to meet EPRA Guidelines by, <i>inter alia</i> , excluding investment property revaluations, gains/losses on disposals and changes in the fair value of financial instruments
“EPRA Guidelines”	the EPRA Best Practices Recommendations Guidelines published by the European Public Real Estate Association, as amended from time-to-time

“EPRA NAV”	the Company’s balance sheet net asset value adjusted to meet EPRA Guidelines by, <i>inter alia</i> , excluding the impact of any fair value adjustments to debt and related derivatives
“EPRA NAV per Ordinary Share”	the EPRA NAV divided by the diluted number of Ordinary Shares in issue from time-to-time
“EU Prospectus Directive”	Directive 2003/71/EC
“Existing Ordinary Shares”	the Ordinary Shares in issue as at the date of this document
“FCA”	the Financial Conduct Authority
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000, as may be amended from time-to-time
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 16 August 2017 (or any adjournment or postponement thereof)
“Group”	the Company, together with its subsidiaries and subsidiary undertakings
“Independent Directors”	Nigel Rich, Jonathan Gray and Bruce Anderson
“Initial Portfolio”	the portfolio of 11 properties acquired by the Company on 14 April 2016 for a purchase price of £27 million
“IPO”	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
“Kinmont”	Kinmont Limited, joint financial adviser to the Company
“LTV”	the ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	the long-term incentive plan of the Company, as more particularly described at paragraph 5.2 of Part 1 of this document
“LTIP Shares”	has the meaning given to it at paragraph 5.2.1 of Part 1 of this document
“Management Agreement”	the amended and restated management agreement dated 31 July 2017, between the Company and the Manager
“Management Team”	Richard Moffitt and Christopher Turner
“Manager”	Pacific Capital Partners Limited, a company registered in England and Wales with company number 02849777, the manager to the Company
“Net Initial Yield” or “NIY”	annualised current passing rent less non-recoverable property expenses such as empty rates, divided by the property valuation plus notional purchasers’ costs
“Notice of General Meeting”	the notice of General Meeting, set out at the end of this document
“Official List”	the official list of the UK Listing Authority
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Placee”	any person who has conditionally agreed to subscribe for the Placing Shares
“Pacific Group”	Sir John Beckwith, PIL, PIML, Pacific Industrial LLP and each of their affiliates

“Pacific Industrial LLP”	Pacific Industrial LLP, a limited liability partnership registered in England and Wales with company number OC407145
“PIML”	Pacific Investments Management Limited, a company registered in England and Wales with company number 01722436
“PIL”	Pacific Investments Limited, a company registered in England and Wales with company number 04384561
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 31 July 2017 between the Company (1); the Manager (2); Canaccord (3); Kinmont (4); Radnor (5) and PIML (6) relating to the Placing
“Placing Price”	115 pence per Placing Share
“Placing Shares”	46,086,957 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
“Professional Investor”	has the meaning provided in the AIFMD
“Prospectus Rules”	the Prospectus Rules made by the FCA under Part VI of FSMA
“Radnor”	Radnor Capital Partners Limited, capital advisor and agent to the Placing
“Relationship Agreement”	the relationship agreement dated 7 April 2016 entered into between the Company (1); PIML (2) and finnCap Limited (3)
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares
“Subscription Period”	the period beginning on the date of the Warrant Instrument and ending on 12 March 2019
“Subscription Price”	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)
“Subscription Right”	the right of a Warrantholder to subscribe for one new Ordinary Share at the Subscription Price for every Warrant of which he is the holder pursuant to the terms of the Warrant Instrument
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of FSMA
“Warrantholder”	a registered holder for the time being of Warrants
“Warrant Instrument”	the warrant instrument executed and delivered as a deed poll by the Company on 22 March 2016
“Warrants”	the 3,012,000 warrants, each comprising a Subscription Right in respect of one new Ordinary Share, 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)
“WAULT”	the weighted average unexpired lease term remaining to first break, or expiry, across the portfolio weighted by contracted rental income (including rent-frees). The calculation excludes residential leases and properties allocated as developments

PART 1

LETTER FROM THE CHAIRMAN

Pacific Industrial & Logistics REIT plc

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

Directors:

Nigel Rich (*Independent Non-Executive Chairman*)
Mark Johnson (*Non-Independent Non-Executive Director*)
Jonathan Gray (*Independent Non-Executive Director*)
John Richard Moffitt (*Non-Independent Non-Executive Director*)
Bruce Anderson (*Independent Non-Executive Director*)

Registered Office:

124 Sloane Street
London
SW1X 9BW

31 July 2017

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

Dear Shareholder

Placing of 46,086,957 new Ordinary Shares at 115 pence per Ordinary Share, amendment to arrangements with the Manager and Notice of General Meeting

1. INTRODUCTION

On 14 July 2017, the Company announced its intention to raise up to £110 million (before fees and expenses) by means of the Placing to fund an identified pipeline of acquisitions that meet the Company's investment objective and investing policy. Earlier today, the Company announced that it had conditionally placed 46,086,957 new Ordinary Shares at a price of 115 pence per Placing Share pursuant to the Placing, raising gross proceeds of £53.0 million. The new Ordinary Shares have been conditionally placed with a combination of new and existing shareholders.

The purpose of this document is to set out, amongst other things, the Company's progress since IPO and the background to and reasons for the Placing. It also explains why your Board considers that the Placing is in the best interests of the Company and Shareholders as a whole and, accordingly, recommends that Shareholders vote in favour of the Resolutions. Part 2 of this document contains the Notice of General Meeting and the Resolutions to be proposed thereat.

On 12 June 2017, the Company announced, *inter alia*, that it would continue to review the management fee and long-term incentive arrangements as the Company grows its institutional investor base. As a result of this process, the Company announced the proposed changes to the management arrangements on 14 July 2017. The changes to the management arrangements are set out at paragraph 5 of this Part 1. These changes, which are related party transactions under the AIM Rules, are conditional upon completion of the Placing but are not subject to Shareholder approval.

The allotment of the Placing Shares and the LTIP Shares (which will be issued as part of the proposed changes to the management arrangements described below) are 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.

2. PROGRESS SINCE IPO

The Company was formed for the purposes of investing in last mile and regional logistics properties in the UK with an average lot size of under £10 million, which are located in established logistics zones and which display, *inter alia*, the potential for rental growth and other asset management opportunities. At IPO, the Company targeted a net dividend yield of six per cent. per annum and a total return over the medium term of between ten per cent. and 15 per cent. per annum by reference to the IPO issue price.

The Group has raised a total of £23.3 million of equity capital from its IPO and a subsequent capital raise in November 2016. The net proceeds of these capital raises have been deployed, together with debt finance

at an average interest cost of 3.3 per cent. in the first period of trading, into assets yielding on average 7.9 per cent. (excluding purchaser costs). This deployment of capital, coupled with the Group's income enhancing asset management initiatives, has enabled the Group to deliver a strong set of results for the period from IPO on 13 April 2016 to 31 March 2017:

Portfolio

- Portfolio valuation at 31 March 2017 of £43.4 million, representing a 9.8 per cent. uplift on acquisition price (including purchaser costs) compared to an annual capital return of 4.2 per cent. in the IPD Industrial Index and a 0.3 per cent. fall in the IPD All Property Index to 31 March 2017*.
- The Initial Portfolio delivered a valuation uplift in excess of 17 per cent. and a rental uplift of 8.6 per cent., driven by successful asset management initiatives.
- Portfolio WAULT of 4.4 years.

**IPD Quarterly Universe*

NAV, gearing and total Shareholder return

- EPRA NAV per Ordinary Share up 16.1 per cent. to 116.1 pence per share from IPO price of 100.0 pence per Ordinary Share (after absorbing IPO costs of 4.8 pence per Ordinary Share).
- 42.4 per cent. loan-to-value at 31 March 2017, with a low blended interest cost for the period ended 31 March 2017 of 3.3 per cent.
- 22.6 per cent. total Shareholder return over the period compared to 0.0 per cent. annual total shareholder return for FTSE EPRA/NAREIT Index to 31 March 2017.

Earnings and dividend

- EPRA earnings per share of 7.8 pence per Ordinary Share, reflecting the rapid deployment of capital into highly income generative assets.
- Declaration of dividend of 3.0 pence per Ordinary Share in respect of the period from 1 October 2016 to 31 March 2017, taking total dividends paid or declared in respect of the period ended 31 March 2017 to 6.0 pence per Ordinary Share, reflecting an annualised yield of 6.2 per cent. on the IPO price. The record date for the dividend in respect of the period from 1 October 2016 to 31 March 2017 was 2 June 2017 and it was paid on 28 July 2017.
- Dividend covered 1.3x by EPRA earnings per Ordinary Share.

3. BACKGROUND TO AND REASONS FOR THE PLACING

The Company benefits from a highly-experienced Board and Management Team with broad industry credentials and connections which have been built up over several decades. In the period since IPO, the Company has not only executed a number of successful property investments but has established a significant pipeline of potential transactions, all within the Company's investment objective and investing policy. The Directors continue to target scale, income and an attractive total return through adherence to the Company's investing policy of acquiring smaller, single-tenant industrial and logistics properties. The Company may invest across the UK but focuses on the regional logistics zones in the Midlands and South East. Following recent engagement with investors and lending banks, the Company is now in a position to begin to move into a more advanced execution phase on a number of properties from within its pipeline.

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

- Provide additional capital which will enable the Company to execute some of its pipeline of potential transactions (see paragraph 4 of this Part 1 for further details).
- Diversify the Company's income stream and asset base by increasing the number of tenants and properties within the portfolio upon the capital being deployed.
- Enhance the Company's position as an institutionally-backed, entrepreneurial and focused REIT.
- Enlarge the Company, thereby spreading certain operating costs over a larger capital base and reducing the Company's total expense ratio, in turn contributing to the Company's dividend-paying capacity.
- Increase the number of Ordinary Shares in issue, which may provide Shareholders with additional liquidity and the Company with a more diversified Shareholder base.

4. MARKET OVERVIEW AND THE COMPANY'S POSITIONING, PORTFOLIO UPDATE AND PIPELINE

4.1 Market overview and the Company's positioning

The Directors believe that a number of structural and commercial factors currently support the attractive opportunity in the last mile/regional industrial and logistics real estate sub-sectors targeted by the Company:

- Strong occupier demand, in particular due to growth in e-commerce and investment by retailers in their associated supply chain (it is estimated that for every £1 billion¹ of new online retail sales, 1.125 million square feet of new distribution space is required, with a current annual average of approximately 4.5 million square feet of incremental demand).
- Supply of lettable space in industrial and logistics real estate across the UK has declined, being more than one third lower than the most recent peak of 2009.
- The planning permission regime in the United Kingdom is not supporting growth in supply to catch-up with increased demand in key logistics locations.
- With high building and land costs there is a lack of speculative development of new premises.
- Quality income-producing assets can be acquired at 30 to 70 per cent. of replacement cost.
- Smaller lot size focus of less than £10 million and less than 250,000 square feet avoids competition with institutional investors for acquisitions, but tenant quality can be maintained.
- Acquisitions can be made in the region of 6.5 to 7.5 per cent. Net Initial Yields, at affordable rents (in the region of £4.50 to £5.50 per square foot), on an overall LTV of 35 to 40 per cent. with a significant margin over financing costs, thus presenting an attractive income, capital growth and total return proposition.
- Despite a structural shortage of lettable space in the subsector, it remains an active and well-traded market – 2016 saw approximately 21.2 million square feet of space taken up in the sub 100,000 square foot bracket alone and greater than £3 billion of real estate transacted.

The Directors believe the Company is the only closed-ended quoted or listed company in the UK with this sole investment focus, a competitive advantage which the Directors believe will increase as the Company grows.

4.2 Portfolio update

The Group acquired 13 assets between the IPO in April 2016 and period ended 31 March 2017, at which time the tenanted portfolio comprised the properties in the table below. These have proven to be sound investments, with a good geographical spread and a diverse tenant base. The portfolio also presents a variety of asset management opportunities, which have the potential to provide both income growth and capital appreciation.

The average size of the properties in the portfolio at 31 March 2017 was 48,514 square feet. The WAULT at the same date was 4.4 years.

(1) JP Morgan (June 2017).

Portfolio as at 31 March 2017

Tenant	Location	Month of acquisition	Acquisition cost (£m) ²	Net book value (£m)	Size (sq ft)
Price's Patent Candles Ltd	Bedford	April 2016	2.20	2.38	44,338
Jas Bowman & Sons	Bedford	April 2016	2.68	3.15	39,306
The BSS Group Ltd	Northampton	April 2016	0.75	0.76	13,633
ACO Technologies Plc	Bedford	April 2016	1.68	2.45	38,716
Blackburns Metals Ltd	Bedford	April 2016	1.25	1.75	24,008
Ball and Young Ltd	Bedford	April 2016	1.10	1.57	22,672
Ideal Industries Ltd	Bedford	April 2016	2.85	2.30	42,320
The BSS Group Ltd	Bedford	April 2016	2.30	4.90	59,607
Marshall Thermo King Ltd	Dunstable	April 2016	0.60	0.75	9,452
Winit (UK) Ltd	Bardon	April 2016	6.00	6.08	73,466
Void ³	Bedford	April 2016	1.39	1.55	21,140
Professional Fulfilment Services Ltd	Bedford	April 2016	1.39	1.55	21,165
Arqadia Ltd	Bedford	April 2016	2.81	3.13	42,707
Tangerine Confectionery Ltd	Chesterfield	January 2017	4.66	5.00	108,194
PUMA United Kingdom Ltd	Leeds	March 2017	6.05	6.10	62,117
Total at 31 March 2017			37.71	43.42	622,841

CBRE independently valued the portfolio as at 31 March 2017 in accordance with the RICS Valuation – Professional Standards. The portfolio's market value at 31 March 2017 was £43.4 million, compared with the assets' combined purchase price of £39.5 million, including purchaser costs. This represents an increase of £3.9 million or 9.8 per cent., on the aggregate purchase price. The portfolio valuation uplift was driven largely by successful asset management initiatives which were largely undertaken on the Initial Portfolio, given the limited hold period of the Chesterfield and Leeds assets prior to the year end. The Initial Portfolio's rent was uplifted by 8.6 per cent. during the period whilst its valuation increased by over 17 per cent.

4.3 Pipeline⁴

The Company is currently engaged in negotiations on potential acquisitions that meet its investment objective and investing policy.

Within the opportunities currently being considered, the Company has commenced negotiations on two portfolios of well-located regional logistics assets that are available to acquire in separate off market transactions.

Portfolio	Description	Value
1.	9 assets. Capital value of £61 per square foot. WAULT of 2.7 years. Low average rents of £4.80 per square foot.	£45.5 million at 7.3 per cent. NIY
2.	6 assets. Capital value of £79 per square foot. WAULT of 5.8 years. Low average warehouse rents of £4.35 per square foot.	£31 million at 7.0 per cent. NIY

The aggregate gross acquisition cost of these portfolios is approximately £81.6 million, which reflects a blended Net Initial Yield of 7.2 per cent. The Directors believe there is significant potential to grow rents and lengthen leases over the medium term. These portfolios have strong existing tenant bases, are fully occupied, have a WAULT of 3.9 years and offer attractive reversionary potential.

The Company expects to deploy the net proceeds of the Placing within three months of Admission. The acquisition of any potential investments by the Company is subject to, among other things, completion of the Placing, completion of satisfactory due diligence, successful negotiation of terms with vendors and the approval of the Directors. There can be no guarantee that any of the potential investments will be completed.

(2) All excluding purchaser costs.

(3) Void from 24 March 2017.

(4) All information relating to the potential investments described in this document is indicative, subject to detailed due diligence and may subsequently change as a result.

In addition, the Company has also identified a number of other portfolios of well-located regional logistics assets that are available to acquire in separate off market transactions that meet its investment objective and investing policy, including:

Portfolio	Description	Value
3.	12 assets. Low capital value of £71 per square foot. WAULT of 7.1 years. Low local rents of £5.46 per square foot.	£83 million at 7.2 per cent. NIY

The acquisition of this portfolio (and any other further investments) by the Company would, in addition to the matters described above, also be subject to a future equity fundraising or other such capital event. The Company continues to discuss potential additional equity and debt finance for further acquisitions.

5. MANAGEMENT ARRANGEMENTS

Introduction

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 PIML (an affiliate of the Manager).

On 12 June 2017, the Company announced, *inter alia*, that it would continue to review the management fee and long-term incentive arrangements as the Company grows its institutional investor base. As a result of this process, and subject to completion of the Placing, the management arrangements will be amended as set out below.

5.1 The Management Agreement

Under the current management agreement, expenses incurred by the Manager are recharged to the Company and the Manager also receives a management fee payable half yearly in arrears. The management fee is not 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 receives a percentage of the excess annual yield as follows:

Annual dividend yield ^f	Manager's share of excess yield
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

Following completion of the capital raise announced on 9 November 2016, the annualised total running costs of the Company (excluding interest, the costs of the IPO, any further fundraisings, costs associated with acquisitions and irrecoverable property costs) were capped at £535,000 for the financial period from incorporation to 31 March 2017.

On 12 June 2017, the Company announced that, following discussions between the Board and the Manager, the annual total running costs of the Group (excluding finance charges, performance fees, long-term incentive plan charges and direct property costs) would be capped at £650,000 per annum until an equity fundraising or other such capital event.

Subject to the completion of the Placing, the Company and the Manager have agreed to a new management fee such that the cost recharge, the excess of dividend yield management fee and the annual total running cost cap described above are replaced with a management fee of 0.95 per cent. per annum of the Group's EPRA NAV, payable quarterly in arrears.

5.2 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 long-term success of the Company, in alignment with the Shareholders.

(5) By reference to the IPO issue price.

The Company has agreed, subject to completion of the Placing, to amend the existing LTIP adopted at the time of IPO as detailed below:

5.2.1 *Existing LTIP*

20.0 per cent. of the Company's total return over eight per cent. per annum from the date of IPO to 13 July 2017 (being the day immediately prior to the announcement of the proposed Placing) will be crystallised and the resulting value will be paid by way of the issue of 520,557 Ordinary Shares to Pacific Industrial LLP (an affiliate of the Manager) (the "**LTIP Shares**") at Admission and will be subject to a lock-in until the third anniversary of the IPO.

5.2.2 *New LTIP*

The new LTIP will have an EPRA NAV element and a share price element and will be assessed on: (i) 30 September 2020 (the "**First Calculation Date**"); and (ii) 30 September 2023 (the "**Second Calculation Date**").

The EPRA NAV element will be 10 per cent. of the excess of the EPRA NAV per Ordinary Share return⁶ over an annualised 9 per cent. hurdle⁷, multiplied by the number of Ordinary Shares in issue at relevant calculation date. The share price element will be 10 per cent. of the excess of the share price return over an annualised 9 per cent. hurdle⁸, multiplied by the number of Ordinary Shares in issue at the relevant calculation date.

At the First Calculation Date, the share price element and the EPRA NAV element hurdle shall be calculated by reference to the Placing Price.

At the Second Calculation Date, if a payment has been made at the First Calculation Date under either element, the hurdle for that element at the Second Calculation Date shall be re-set to be based on the prevailing EPRA NAV per Ordinary Share/share price as at the First Calculation Date (as applicable). If no payment is made under an element at the First Calculation Date, then the hurdle for that element shall continue to be calculated by reference to the Placing Price.

If there is a change of control, the LTIP will be assessed by applying the relevant offer price to the EPRA NAV element and the share price element calculations at the date of the change of control.

The LTIP will be paid in shares or, at the Board's discretion, cash.

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

6. **BORROWING AND GEARING POLICY**

The Company will seek to use gearing to enhance returns over the long-term and, in addition, will seek to fix its borrowing rates. It is the Directors' current intention to target gearing of no more than 40 per cent. of gross asset value on new acquisitions and to therefore reduce the LTV ratio from the 42.4 per cent. level as at 31 March 2017.

As at 28 July 2017 (the latest practicable date prior to the publication of this document), the Company had £32 million of headroom under its existing debt facility and is in discussions with a number of lenders in respect of additional facilities.

7. **DETAILS OF THE PLACING**

46,086,957 Placing Shares have been placed with Placees at 115 pence per Ordinary Share to raise gross proceeds of approximately £53.0 million. The Placing is not underwritten.

The Placing Price represents: (i) a discount of approximately 2.1 per cent. to the closing price of 117.5 pence per Ordinary Share as at 13 July 2017 (the day prior to the announcement of the proposed Placing on 14 July 2017); and (ii) a discount of approximately 0.9 per cent. to the EPRA Net Asset Value per Ordinary Share of 116.1 pence as at 31 March 2017.

(6) Not taking into account any accrual relating to the LTIP or dilution arising from the issue of Ordinary Shares pursuant to the LTIP.

(7) Hurdle adjusted for all distributions per share (including dividends and returns of capital).

(8) Hurdle adjusted for all distributions per share (including dividends and returns of capital).

The Placing is conditional, *inter alia*, on the approval of Resolutions 1 and 2 at the General Meeting of the Company to be held at 10.00 a.m. on 16 August 2017 and upon Admission of the Placing Shares to trading on AIM. It is expected that Admission of the Placing Shares will occur on 17 August 2017.

The Placing Agreement

Pursuant to the terms of the Placing Agreement: (i) Canaccord, 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) Kinmont and Radnor conditionally agreed to use their respective reasonable endeavours to introduce potential Placees to Canaccord.

The Placing Agreement contains certain warranties from the Company and the Manager in favour of Canaccord, Kinmont 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 Canaccord, Kinmont and Radnor in relation to certain liabilities they may incur in respect of the Placing. Canaccord has the right to terminate the Placing Agreement in certain circumstances prior to Admission including, without limitation, in the event of any material breach by the Company, the Investment Manager or PIML of their respective 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 Canaccord a corporate finance fee and commissions based on the number of Placing Shares which are the subject of the Placing and fees to Kinmont and Radnor.

PIML interests in the Company following completion of the Placing

Shareholders should note that, following completion of the Placing, Pacific, Sir John Beckwith and his affiliates will be interested in 7,643,478 Ordinary Shares (representing 11.2 per cent. of the Enlarged Share Capital). Accordingly, the terms of the Relationship Agreement (further details of which are set out in the Admission Document) shall automatically cease and determine following completion of the Placing.

8. RELATED PARTY TRANSACTIONS

Participation in the Placing by the Directors and the Management Team

The Directors and Management Team are subscribing for Ordinary Shares at the Placing Price pursuant to the Placing.

	As at 28 July 2017		Placing No. of Placing Shares being subscribed for	Following Admission ⁹	
	Number of Existing Ordinary Shares	Percentage of existing Ordinary Share capital		Number of Ordinary Shares	Percentage of Enlarged Share Capital
Nigel Rich	75,000	0.35%	108,695	183,695	0.3%
Richard Moffitt*	300,000	1.40%	56,521	356,521	0.5%
Mark Johnson*,**	150,000	0.70%	43,478	193,478	0.3%
Bruce Anderson	20,000	0.09%	17,391	37,391	0.1%
Jonathan Gray	20,000	0.09%	20,000	40,000	0.1%
Christopher Turner*	200,000	0.93%	86,956	286,956	0.4%

*Messrs Moffitt, Johnson and Turner are members of Pacific Industrial LLP and, accordingly, will be interested in aggregate in a further 520,557 Ordinary Shares following the issue of the LTIP Shares (as more particularly described in paragraph 5.2.1 of this Part 1 above).

**Shortly after Admission, Mr. Johnson will transfer his Placing Shares registered in his own name into an individual savings account ('ISA') of which he is the beneficiary.

Each of the Directors and the Management Team and the principals of Pacific have agreed, subject to certain customary exceptions, not to sell any Shares for a period of twelve months following Admission.

Management Agreement and LTIP

The amendments to the Management Agreement and the LTIP and the issue of the LTIP Shares as described in paragraph 5 above are related party transactions pursuant to the AIM Rules. The Independent Directors consider, having consulted with the Company's Nominated Adviser, Canaccord, that the terms of the amendments to the Management Agreement and the LTIP are fair and reasonable insofar as the Company's Shareholders are concerned.

(9) Assuming no Warrants are exercised before Admission.

M1 Agency Fees

At the point the Company acquires certain properties in the pipeline portfolio, it will incur, on an arm's length basis, certain commercial agency fees from M1 Agency LLP. M1 Agency LLP is a partnership in which Richard Moffitt is a designated member. The payment of fees by the Company to M1 Agency LLP will, at the time, be related party transaction for the purposes of the AIM Rules.

9. ADMISSION AND DEALINGS

Application will be made to the London Stock Exchange for the Placing Shares and the LTIP Shares to be admitted to trading on AIM. The Placing Shares and the LTIP Shares will rank, from Admission, *pari passu* in all other respects with the Existing Ordinary Shares and will have the right to receive all dividends and distributions declared in respect of issued Ordinary Share capital of the Company after Admission. It is expected that Admission will become effective and that dealings in the Placing Shares and the LTIP Shares will commence on 17 August 2017.

10. 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 10.00 a.m. on 16 August 2017 is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

Resolutions relating to the Placing (Resolutions 1 and 2)

Resolutions 1 and 2 will be proposed to grant the Directors the authority to allot the Placing Shares (which will represent approximately 67.7 per cent. of the Enlarged Share Capital) and the LTIP Shares (which will represent approximately 0.8 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 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 first AGM, but reflecting the increased number of Ordinary Shares comprised in the Enlarged 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 2018 or 30 September 2018.

11. INTENTION OF DIRECTORS, MANAGEMENT TEAM AND PIML

The Directors and Management Team intend to vote in favour of each of the Resolutions in respect of their aggregate beneficial interest in respect of 765,000 Ordinary Shares, representing approximately 3.6 per cent. of the Existing Ordinary Shares.

PIML, Sir John Beckwith and Sir John Beckwith's affiliates intend to vote in favour of each of the Resolutions in respect of their aggregate beneficial interest in respect of 7.45 million Ordinary Shares, representing approximately 34.7 per cent. of the Existing Ordinary Shares.

12. 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 10.00 a.m. on 14 August 2017. 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.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Computershare Investor Services (ID 3RA50), by 10.00 a.m. on 14 August 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

The completion and return of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending the General Meeting and voting in person should you wish to do so.

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 565,000 Ordinary Shares representing approximately 2.6 per cent. of the Existing Ordinary Shares.

Yours sincerely

Nigel Rich
Non-Executive Chairman

PART 2

NOTICE OF GENERAL MEETING

Pacific Industrial & Logistics REIT plc

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

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 16 August 2017 at 10.00 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 £466,075.14 pursuant to the Placing and the issue of the LTIP Shares (each as defined in the circular of the Company dated 29 July 2017) 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 2018.

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 £466,075.14 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 2018.

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 £68,064.72 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 2018 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 annual general meeting of the Company held on 6 July 2017 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 £68,064.72 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 2018 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 6 July 2017 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: 31 July 2017

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 10.00 a.m. on 14 August 2017 (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 14 August 2017 (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 14 August 2017 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 28 July 2017, being the latest practicable date before the publication of this notice of GM, the Company's issued share capital consisted of 21,457,210 Ordinary Shares (each carrying one vote). Therefore the total voting rights in the Company as at 28 July 2017 is 21,457,210.