

DEED OF IRREVOCABLE UNDERTAKING

To: Custodian REIT plc (the "**Offeror**" or "**you**")
1 New Walk Place
Leicester
United Kingdom
LE1 6RU

3 September 2021

Dear Sirs,

Proposed all-share acquisition of Drum Income Plus REIT plc (the "Target") by Custodian REIT plc (the "Offeror" or "you")

We refer to the proposed all-share acquisition of the Target by you, which is intended to be effected by way of a Court approved scheme of arrangement pursuant to Part 26 of the Companies Act 2006 (referred to in this letter as the "**Scheme**"), but may be made by way of a takeover offer within the meaning of section 974 of the Companies Act 2006 (referred to in this letter as the "**Offer**") (the "**Acquisition**").

We understand that an announcement in relation to the Acquisition shall be made pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the "**Code**") (the "**Rule 2.7 Announcement**") and shall be not materially different from the draft of the Rule 2.7 Announcement in the Appendix to this letter, including, without limit, without any change to the Exchange Ratio referred to therein.

This letter (which has been executed by us as a Deed) sets out the terms and conditions on which we will vote, or procure the exercise of votes, in favour of the Scheme (if the Acquisition is proceeding by way of the Scheme) or accept the Offer when it is made (if the Acquisition is proceeding by way of the Offer).

1. WARRANTIES AND UNDERTAKINGS

1.1 We irrevocably and unconditionally warrant to the Offeror that:

- (a) we have investment management discretion over and are able to procure the exercise of the voting rights attaching to the number of ordinary shares in the capital of Target specified in the Schedule to this letter (the "**Offeree Shares**"), free from all liens, charges, options, equities, third party rights and encumbrances of any nature whatsoever and are beneficially owned by our underlying discretionary managed clients (the "**Funds**");
- (b) we are able to procure the transfer of the Offeree Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption, and any other third party rights and interests and encumbrances of any nature; and
- (c) we have full power, authority, discretion and the right (free from any legal or other restrictions), and will at all times up to the earlier of (i) the time at which the Scheme becomes effective (or the Offer becomes or is declared unconditional in all respects, as the case may be); or (ii) our obligations in accordance with this letter terminate, continue to have all requisite power, authority, discretion and the right, to enter into and perform our obligations under this letter in accordance with its terms.

2. TRANSFER OF OFFEREE SHARES

2.1 Notwithstanding any other term in this letter, we may procure the transfer of all or any of the Offeree Shares and any other shares in the capital of the Target in respect of which we may receive investment management discretion after the date of this letter ("**Further Offeree Shares**"):

- (a) to any person who has executed and delivered a letter to you on terms that are substantially similar to the terms contained in this letter, save for this paragraph 2.1(a) which shall be excluded;
- (b) at any time, to the extent (i) required by law or regulation or otherwise pursuant to any order or ruling by a Court of a competent judicial body, or by any competent authority (under Part VI of the Financial Services and Markets Act 2000 (as amended)) or (ii) as requested by a regulator of a competent jurisdiction; and
- (c) at any time, where a client has terminated or given notice to terminate its professional relationship with us in respect of any of the Offeree Shares and/or Further Offeree Shares that it beneficially owns, in which case we and the relevant registered holder shall retain the right to transfer such Offeree Shares and/or Further Offeree Shares to any replacement fund manager/custodian appointed by such client and our obligations in this letter will lapse and cease to be of any effect in respect of the Offeree Shares and/or Further Offeree Shares so transferred upon the time and date of completion of such transfer. We agree to inform you should the percentage of Offeree Shares and/or Further Offeree Shares in respect of which we have investment management discretion and are able to procure the exercise of the voting rights falls below 90% of the Total Shares set out in the Schedule, Offeree Shares and Further Offeree Shares in aggregate.

3. UNDERTAKINGS

3.1 Subject to you announcing the Rule 2.7 Announcement by 5.00 p.m. (BST) on or before 20 September 2021 (the "**Rule 2.7 Announcement Deadline**"), if the Acquisition is to be implemented by way of the Scheme, we hereby irrevocably undertake that:

- (a) after the posting of the circular to be sent to shareholders of the Target containing an explanatory statement in respect of the Scheme (the "**Scheme Document**"), we shall exercise (or procure the exercise in accordance with paragraph 3.1(b) below of) all voting rights (whether on a show of hands or a poll and whether in person or by proxy) attaching to the Offeree Shares and any Further Offeree Shares which we hold as at the record date of any shareholder meeting (including any general or class meeting and any Court convened shareholder meeting) convened to consider the Scheme (a "**Shareholder Meeting**") to vote in favour of all resolutions proposed at such Shareholder Meeting to approve and/or give effect to the Scheme (the "**Resolutions**"), or at any adjournment of any such meeting;
- (b) we shall (i) in respect of any Offeree Shares and/or Further Offeree Shares in certificated form, execute (or procure that any custodian or nominee execute) any forms of proxy in respect of such shares required by the Offeror validly appointing any person nominated by the Offeror to attend and vote at any Shareholder Meeting (or any adjournment thereof) in respect of the Resolutions and shall submit (or procure that any custodian or nominee submit) such executed forms of proxy to the Offeree's registrars in accordance with the instructions printed thereon; and (ii) in respect of any Offeree Shares and/or any Further Offeree Shares in uncertificated form, take (or procure that any custodian or nominee take) any action to make a valid proxy appointment and give valid proxy instructions, in each case to vote in favour of the Resolutions; and
- (c) we shall not revoke (or procure that any custodian or nominee revoke) the terms of any proxy submitted in accordance with paragraph 3.1(b), either in writing or by attendance at any Shareholder Meeting (or any adjournment thereof) or otherwise.

3.2 We acknowledge that the Offeror shall have the right and may elect at any time (with the consent of the Panel on Takeovers and Mergers (the "**Panel**") and whether or not the Scheme Document has then been despatched) to implement the Acquisition by way of an Offer as opposed to by way of a Scheme, provided that:

- (a) the Offeree has provided its prior written consent to the Offeror making that election; and
- (b) such Offer is made on terms at least as favourable as the terms of the Scheme.

3.3 If the Acquisition is implemented by way of the Offer, we hereby irrevocably undertake that:

- (a) we shall accept (or procure the acceptance of) the Offer in respect of the Offeree Shares and any Further Offeree Shares in accordance with the procedure for acceptance set out in the formal document containing the Offer (the "**Offer Document**");
- (b) although the terms of the Offer will confer a right of withdrawal on accepting shareholders, we shall not withdraw or procure the withdrawal of any acceptances of the Offer in respect of the Offeree Shares; and
- (c) if so required by the Offeror, we shall execute all such other documents as may be reasonably necessary for the purposes of giving the Offeror the full benefit of our obligations set out in this letter with respect to the Offer.

4. INFORMATION AND DOCUMENTATION

4.1 We consent to:

- (a) your discussions with Target regarding the terms of this letter and to the issue of the Rule 2.7 Announcement incorporating references to us and details of this letter; and
- (b) details of our name and this letter being included in the Scheme Document, or Offer Document as the case may be, and any other related or ancillary document as may be required by the Code.

4.2 We undertake to provide to you all such further information in relation to our interest in the Offeree and that of any person connected with us as you may reasonably require in order to comply with the rules and requirements of the Panel, the Code, London Stock Exchange plc and the Companies Act 2006, and any other legal or regulatory requirements or for inclusion in any document required by applicable law or regulation in connection with the Acquisition. We will as soon as reasonably practicable notify you in writing of any material changes in the truth, accuracy or import of any information previously supplied to you by us in this regard.

4.3 We understand and agree that, in accordance with the Code, this undertaking may be disclosed to the Panel, particulars of this undertaking and our disclosable holdings of, and dealings in, relevant securities of the Offeree will need to be publicly disclosed and, in accordance with Rule 26 of the Code, copies of this undertaking will be available for viewing on a website until the end of the Offer Period (as defined in the Code).

5. SECRECY

We understand that the information you have given to us in relation to the Acquisition must be kept confidential until the Rule 2.7 Announcement is released or the information has otherwise become generally available (the "**Release Date**"). To the extent that any of the information is inside information for the purposes of the Criminal Justice Act 1993 or the EU Market Abuse Regulation No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, we are aware of the applicable restrictions contained therein on dealing in securities and disclosing inside information. Save to the extent that disclosure is required to comply with any applicable law or regulation, we shall keep confidential the possibility, terms and conditions of the Acquisition and the existence and terms of this letter until the Release Date.

6. TERMINATION

Seven Investment Management LLP is authorised and regulated by the Financial Conduct Authority, the Jersey Financial Services Commission and the Guernsey Financial Services Commission. This letter shall not oblige you to announce or proceed with the Acquisition and, notwithstanding any other term in this letter, it shall automatically cease to have any effect if any of the following occurs:

- (a) if the terms on which the Acquisition is made are less favourable than those set out in the draft of the Rule 2.7 Announcement contained in the Appendix to this letter, save where the terms of the Acquisition are adjusted solely to take account of an Excess or Dividend Discrepancy (as each term is defined in the Rule 2.7 Announcement);
- (b) the Rule 2.7 Announcement is not released on or before the Rule 2.7 Announcement Deadline (or such later date as may be agreed between the Target and the Offeror, with the consent of the Panel if relevant);
- (c) the Scheme Document, or the Offer Document as the case may be, has not been posted within 28 days of the date of the Rule 2.7 Announcement;
- (d) where the Acquisition is implemented by way of the Scheme, the Court convened shareholder meeting of Target's shareholders is not scheduled to take place within 28 days of the date of the Scheme Document;
- (e) the Acquisition is withdrawn or lapses or does not become wholly unconditional or effective in accordance with its terms by 31 December 2021 or such later date as may be agreed in writing between the Offeror and Target with the consent of the Panel (if required) for the sole purpose of satisfaction of any outstanding material official authorisations and/or regulatory clearances only, such time period not to be greater than two months; or
- (f) if we are required to withdraw any of the undertakings in this letter by any court of competent jurisdiction or a competent regulator.

7. TIME OF THE ESSENCE

Any time, date or period mentioned in this undertaking may be extended by mutual agreement (and with the consent of the Panel, where required) but as regards any time, date or period originally fixed or as extended, time shall be of the essence.

8. CONFIRMATION

We confirm by signing this letter that the Offeror's financial adviser, Numis Securities Limited ("**Numis**"), has clearly indicated to us that it is not acting for us and will not be responsible for providing the protections afforded to clients of Numis or advising us on any matters relating to the Scheme, or Offer as the case may be.

9. SPECIFIC PERFORMANCE

We agree that, if we fail to fulfil our obligations under paragraph 3, in accordance with this undertaking or breach any of our obligations, damages may not be an adequate remedy and accordingly the Offeror shall be at liberty to seek the remedy of specific performance.

10. GENERAL

- 10.1 You acknowledge that we are acting at all times as investment manager and agent for and on behalf of the Funds of whom we have discretionary management authority, that we shall have no liability as principal in respect of the Funds' obligations under the terms of this letter and that all warranties and undertakings are given by us as agent on behalf of the Funds and not as principal.
- 10.2 We acknowledge that the release of the Rule 2.7 Announcement is at the Offeror's absolute discretion and, in particular, the Offeror reserves the right not to release the Rule 2.7 Announcement unless the board of the Offeree agrees to recommend the Acquisition. For the avoidance of doubt, nothing in this deed shall oblige the Offeror to announce or effect the Acquisition.
- 10.3 In the case where the Offeree Shares and any Further Offeree Shares are registered in the name of a nominee, the confirmations, warranties and undertakings contained in this deed are, where the context so requires, given by us on behalf of the nominee and we undertake to use our reasonable endeavours to ensure compliance by such nominee(s) with those confirmations, warranties and undertakings.

Acquisition is implemented by way of the Offer, the Offer is declared or becomes unconditional in all respects in accordance with the requirements of the Code (the "**Effective Date**"). Accordingly, we hereby undertake to you and Numis (for so long as Numis shall be appointed as broker to you, or such other broker as may be appointed by you from time to time) that we shall not from the Effective Date for a period of 3 months (the "**Orderly Market Period**") directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein) in any of the New Custodian Shares owned by us except through Numis (for so long as Numis shall be appointed as broker to you, or such other broker as may be appointed by you from time to time), provided that the price and settlement terms offered by Numis (for so long as Numis shall be appointed as broker to you, or such other broker as may be appointed by you from time to time) are not less than the price and settlement terms, and the fees and commissions payable by us are no greater than the fees and commissions, offered by any other stockbroker or dealer in securities in respect of the same disposal, and in accordance with the reasonable requirements of Numis (for so long as Numis shall be appointed as broker to you, or such other broker as may be appointed by you from time to time) so as to ensure an orderly market for the issued share capital of you. We will notify you immediately in writing if, prior to the Effective Date and/or during the Orderly Market Period we become aware that we will not be able to fulfil the intentions stated in this paragraph 10.4.

- 10.5 The covenants and undertakings contained in this letter and each part of them are entirely separate, severable and separately enforceable so that each covenant and undertaking and each part of them shall be deemed to be a separate covenant and undertaking.
- 10.6 Except to the extent otherwise specified, our obligations set out in this deed are unconditional and irrevocable.
- 10.7 All references to time in this letter are to London time.
- 10.8 This letter does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this letter.
- 10.9 This letter may only be treated as having been executed and delivered as a deed if it has been dated.

11. GOVERNING LAW

This undertaking and any non-contractual obligations arising out of or in relation to it or its formation, shall be governed by and construed in accordance with English law and I submit to the exclusive jurisdiction of the English courts for all purposes in connection with this undertaking.

Yours faithfully

This letter is executed as a deed and is delivered and takes effect at the date at the beginning of this letter.

**Executed and delivered as a deed by
Seven Investment Management LLP**

DocuSigned by:
Dean Proctor
82ED780B80EA41F... Member
signature
Dean Proctor

print name
DocuSigned by:
Duncan Walker
67335BBE524C49B... Member
signature
Duncan walker
print name

SCHEDULE

Interests in the Offeree*

REGISTERED HOLDER	TOTAL SHARES	%	TOTAL SHARES WHICH CAN VOTE	%
Northern Trust Nominees	6,750,000	17.67	6,750,000	17.67
Pershing	22,200,225	58.11	19,629,190	51.38
TOTAL	28,950,225	75.78	26,379,190	69.05

*as at 31 August 2021

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Edinburgh: Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9BN | T 0131 297 3767
Jersey: 19 Royal Square, St Helier, Jersey JE2 4WA | T 020 3823 8600



APPENDIX

Draft Rule 2.7 Announcement

Draft as at 1 September 2021 attached separately.