

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to this Securities Note (the "**Securities Note**") following this page, and you are therefore advised to read this carefully and in conjunction with the Registration document **b e f o r e** reading, accessing or making any other use of the Securities Note. In accessing the Securities Note, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS SECURITIES NOTE CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS ("**U.S. PERSONS**"), AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**REGULATION S**"), NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE U.S. INVESTMENT COMPANY ACT OF 1940) ("**U.S. RESIDENTS**") EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.

WITHIN THE UNITED KINGDOM, THIS SECURITIES NOTE IS DIRECTED ONLY AT PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND WHO QUALIFY EITHER AS INVESTMENT PROFESSIONALS IN ACCORDANCE WITH ARTICLE 19(5) OR AS HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, PARTNERSHIPS OR TRUSTEES IN ACCORDANCE WITH ARTICLE 49(2) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (TOGETHER, "**EXEMPT PERSONS**"). IT MAY NOT BE PASSED ON EXCEPT TO EXEMPT PERSONS OR OTHER PERSONS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 DOES NOT APPLY (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THE SECURITIES NOTE MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE SECURITIES NOTE RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSONS OTHER THAN RELEVANT PERSONS SHOULD NOT ACT OR RELY ON THIS DOCUMENT.

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Confirmation of your Representation: The Securities Note is being sent to you at your request and by accepting the e-mail and accessing the Securities Note, you shall be deemed to have represented to us that (i) you have understood and agree to the terms set out herein; (ii) you consent to the delivery of the Securities Note by electronic transmission; (iii) if you are a person in the United Kingdom you are a Relevant Person; and (iv) you are not a U.S Person or U.S Resident.

You are reminded that the Securities Note has been delivered to you on the basis that you are a person into whose possession the Securities Note may lawfully be delivered in

accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Securities Note to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the managers or any affiliate of the managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the managers or such affiliate on behalf of the Issuer in such, jurisdiction.

The Securities Note has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or Castle Fund Administrators Limited nor any director, officer, employee or agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Securities Note distributed to you in electronic format herewith and the hard copy version available to you on request from the Issuer.

It is highly recommended that prospective investors consult a licensed financial advisor prior to making any order to subscribe for Securities within the Offering Period or otherwise prior to purchasing Securities on the secondary market subsequent to the lapse of the Offering Period.

This document constitutes a Securities Note and has been prepared in accordance with the requirements of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such Securities Note and dissemination of advertisements (as amended by Directive 2010/73/EU of the European Parliament and of the Council and Commission delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission delegated regulation (EU) No. 862/2012 of 4 June, 2012, Commission delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission delegated Regulation (EU) No. 382/2014 of 7 March 2014).

In respect of an Issue of up to £45,900,000 FIXED INTEREST RATE 6.5 PER CENT. PER ANNUM UNSECURED BONDS MATURING 31 March 2023

and having a nominal Denomination of £100,000

ISIN GB00BYP0Y667

by

EUROPEAN INVESTMENT GRADE PROPERTIES PLC

(“the Company” or “the Issuer”)

A PUBLIC LIMITED LIABILITY COMPANY INCORPORATED IN ENGLAND AND WALES UNDER THE COMPANIES ACT 2006 WITH REGISTERED NUMBER 9816665)

THE ISSUER IS NOT, AND WILL NOT BE, LICENSED OR REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

THE SECURITIES OFFERED ARE COMPLEX FINANCIAL INSTRUMENTS AND MAY NOT BE SUITABLE FOR ALL TYPES OF INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS:

- I. S/HE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT;**
- II. THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR;**
- III. SUCH POTENTIAL INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE SECURITIES.**

THIS SECURITIES NOTE HAS NOT BEEN, AND WILL NOT BE, REVIEWED OR APPROVED BY THE FCA, OR ANY OTHER REGULATORY AUTHORITY IN THE UK.

THE FSC ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS SECURITIES NOTE , MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS HEREOF.

IMPORTANT INFORMATION

This document constitutes a Securities Note within the terms of Directive 2003/71/EC of the European Parliament and of the Council to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended by Directive 2010/73/EU of the European Parliament and of the Council and Commission).

This Securities Note dated 20th of July 2016 contains information relating to an issue by European Investment Grade Properties Plc (the “**Issuer**”) of up to 459 Bonds, (“the Securities” or “the Bonds”) named EIGP 6.5% UNSEC BDS 31/03/23 GBP 100000 and having a denomination of £100,000 each.

This Securities Note has been submitted to and approved by the FSC (in its capacity as competent authority in terms and for the purposes of the Prospectus Directive). This Securities Note has not been, and will not be, reviewed or approved by the FCA, or any other regulatory authority in the UK.

Application shall be made for the Securities (459 bonds and having a denomination of £100,000 each) to be approved for admissibility to listing and trading on the Gibraltar Stock Exchange (GSX), which is an EU regulated market, and on the Frankfurt Stock Exchange (operated by the Deutsche Borse) or another EU stock exchange.

The 6.5 per cent unsecured Bonds due the 31st of March 2023 (the “Bonds”) will be issued by European Investment Grade Properties Plc (the “**Issuer**”). Interest on the Bonds is payable quarterly in arrears, commencing on 30 September 2016. Payments in respect of the Bonds will be made without withholding or deduction for, or on account of taxes of the United Kingdom.

The Bonds mature on 31 March 2023 (the “**Maturity Date**”). The Bonds are subject to redemption in whole, but not in part, at their principal amount, together with any applicable accrued interest, at the option of the Company at any time as described in Schedule 2 Interest and Redemption. See “Appendix I - Bond Instrument”.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (“**U.S. PERSONS**”), AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (“**REGULATION S**”), NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE U.S. INVESTMENT COMPANY ACT OF 1940) (“**U.S. RESIDENTS**”) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.

For a description of certain matters that the prospective investors should consider, see “Risk Factors”.

The Issuer accepts responsibility for the information contained in this Securities Note. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

The terms of this Securities Note were approved by a resolution of the Directors approved on 20th of

July 2016. The issue of this Securities Note was authorised by a resolution of the Directors approved on 20th of July 2016.

This Securities Note should be read in conjunction with the Supplemented Registration Document dated 18th May 2016. Together, this Securities Note and the Registration Document form a Prospectus.

The Bonds may not be offered or sold directly or indirectly, and neither this Securities Note nor any offering circular, prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Bonds may be issued, distributed or published in any country or jurisdiction, except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

The distribution of this Securities Note and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Securities Note comes are required by the Issuer to inform themselves about and to observe any such restrictions.

Any offer of the Bonds (as contemplated by this Securities Note) to the public in any Member State of the European Economic Area (each, a "**Member State**") may be made at any time (a) to any legal entity which falls within the definition of "**qualified investor**" as defined in the Prospectus Directive; (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

No person is authorised to give any information or to make any representation not contained in this Securities Note and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. The delivery of this Securities Note at any time does not imply that the information contained in it is correct as at any time subsequent to its date and neither the Issuer nor Castle Fund Administrators Limited undertake to update the information contained in this document.

Neither of Castle Fund Administrators Limited nor the Bond Trustee has separately verified the information contained in this Securities Note or Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made (to the fullest extent permitted by law) and no responsibility or liability is accepted by Castle Fund Administrators Limited or the Bond Trustee as to the accuracy or completeness of the information contained in this Securities Note or any other information provided by the Issuer in connection with the issuance of the Bonds. Neither Castle Fund Administrators Limited nor the Bond Trustee accepts any liability whether arising in tort or contract or otherwise (save as referred to above) in relation to the information contained in this Securities Note or any other information provided by the Issuer in connection with the issuance of the Bonds. Castle Fund Administrators Limited has not been appointed as Corporate Adviser and has not provided any advice to the Issuer.

Neither this Prospectus nor any part hereof constitutes an offer of, or an invitation by, or on behalf of the Issuer to subscribe or purchase any of the Bonds and neither this Prospectus, nor any part hereof, may be used for or in conjunction with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Securities Note may only be communicated (i) to persons who have professional experience in matters relating to investments falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the "**FPO**"); or (ii) who are persons falling within Article 49(2) of the FPO; or (iii) to whom this Securities Note may otherwise be lawfully communicated in accordance with all applicable laws (all such persons together being referred to as "**relevant persons**"). This Securities Note must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this

communication relates is available only to relevant persons and will be engaged in only by relevant persons.

In this Securities Note, unless otherwise specified or the context otherwise requires, references to "£" and "**sterling**" are to the lawful currency for the time being of the United Kingdom and references to "€" and "**euro**" are to the lawful currency for the time being of the European Union.

The offering of the Bonds is being made in reliance upon an exemption from registration under the Securities Act for an offer and sale of the Bonds which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements.

Any investment in the Bonds does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Financial Services Compensation Scheme.

The Bonds described in this Securities Note have not been registered with, recommended by or approved by the US Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this Securities Note. Any representation to the contrary is a criminal offence.

FORWARD-LOOKING STATEMENTS

This Document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimate", "expected", "intends", "may", or "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Issuer and the Directors concerning, amongst other things, the investment strategy, financing strategies and investment performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in general market conditions, legislative or regulatory changes, changes in taxation, the Company's ability to invest its cash and the proceeds of the Issue in suitable investments on a timely basis and the availability and cost of capital for future investments.

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EXECUTIVE SUMMARY

KEY HIGHLIGHTS

The Directors are of the opinion that the funds raised in the initial placing of Bonds at Admission are sufficient for the Company to carry out its business strategy of identifying and carrying out due diligence on potential acquisitions and investment targets and to provide working capital for the Company's initial operations. The key highlights of the Group include:

- It has already signed contracts to purchase an attractive high-yield real estate portfolio of 8 properties in southern Germany further details of which are set out on page 13 of this Document ("**Contracted Portfolio**"). The Directors intend to purchase the Contracted Portfolio with the proceeds of the Bond.
- A proven management team with experience of completing German real estate transactions for over 10 years.
- The Contracted Portfolio is valued at €30.03m and yielding 7.73% per annum.
- Further target properties identified with a value of circa €94m and a yield of 7.6% per annum in prime locations with long term leases.
- Including the Contracted Portfolio more than €120 million of property assets have already been identified for purchase.

The following is a summary of the Bond:

Applications to subscribe for Securities may be made on a Business Day prior to the lapse of the Offering Period. Shortly after the issue of all 459 units or the lapse of the Offering Period, whichever is the earlier, the Issuer shall make an announcement, confirming the number of Securities issued and the Issuer shall notify any relevant authority of such number of Securities issued in accordance with the requirements of the GSX Listing Rules.

The following is a summary of the Bond:

Group Description:	The Group is focused on real estate development in the South of Germany. The Directors hope to raise up to £45,900,000 from this issue of the Bond.
Denomination:	The nominal amount of the Bonds is £100,000.
Minimum Investment:	The minimum investment is £100,000.
Offering Period:	20 th of July 2016 to the 9 th of September 2016 (inclusive)
ISIN	GB00BYP0Y667
Income:	The Bonds will accrue interest from and including the issue date of each Bond at the fixed rate of 6.5 per cent per annum. The interest on the Bonds is payable quarterly in arrears at the end of the interest period to which the payment relates. Interest is payable in equal instalments on 31 March, 30 June, 30 September and 31 December in each year in which in the Bonds are held. The final payment of interest will be made on the Redemption Date.
Security:	Unsecured.
Raise Amount (for this current Offer):	Minimum raise of £200,000 gross at Admission. Maximum raise of £45,900,000.
Term:	The Bonds mature on the 31st of March 2023.
Redemption:	Repayment of capital on the expiry of the term.
Yield	On the basis of the issue price of the Bonds of 100 per cent of their nominal amount, the initial yield of the Bonds on the Issue Date is 6.5 per cent on an annual basis. This initial yield is not an indication of future yield.
Availability:	This invitation is available for direct investment and individual savings accounts (ISA) and self invested personal pensions (SIPP) and small self administered schemes (SSAS) pension investments, <u>provided that FCA suitability guidelines are followed.</u>
Ranking:	All the Bonds shall rank <i>pari passu</i> , equally and rateably, without discrimination or preference alongside all unsecured creditors of the Company.
Events of default:	On one of four identified events listed in the Bond Instrument, the Bonds will be redeemed immediately at the principal amount.
Withholding Taxes:	Payments in respect of the Bonds will be made without withholding or deduction for, or on account of taxes of the United Kingdom.
Bond Trustee:	Beaufort Asset Clearing Services Limited
Transferable:	Ownership of the Bonds can be transferred to another party.
Listed/unlisted:	An application has been made to list the Bonds on the Gibraltar Stock Exchange. The Bonds will possibly be also listed on another stock exchange.
Listing Agent	Castle Fund Administrators Limited
Meetings of Bondholders	The Company may, at any time, convene a meeting of the Bondholders.
Event on death:	In the event of the death of a Bondholder, the Bonds and accrued interest shall form part of the Bondholder's estate under the control of his or her executors or estate administrator.

Listing costs of this Issue

The listing costs associated with this issue and listing of Bonds is not expected to exceed £ 3,050.

INFORMATION CONTAINED IN THIS DOCUMENT MUST BE CONSIDERED IN CONJUNCTION WITH THE BOND INSTRUMENT AND THE REGISTRATION DOCUMENT.

EXPECTED TIMETABLE OF EVENTS

Publication of this document	20th of July 2016
Admission and dealings to commence in the Bonds	<u>20th of July 2016</u>

COMPANY DETAILS ON THE GIBRALTAR STOCK EXCHANGE

ISIN

GB00BYP0Y667

RISK FACTORS

An investment in the Securities involves certain risks. Prospective Investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Securities Note before deciding to acquire Securities. Prospective Investors should ensure that they fully understand the nature of the Securities as well as the extent of their exposure to risks associated with an investment in the Securities – including a risk of loss of part or all their investment.

The risk factors set out below are a summary of the principal risks associated with an investment in Securities:

Risks relating to the Group Investment**Investment range and performance**

The Group will be dependent upon the Directors successful implementation of the Group's investment strategy, and ultimately on its ability to create a property portfolio capable of generating attractive returns. This implementation in turn will be subject to a number factors, including market conditions and the timing of investments relative to market conditions which are inherent in the property development industry, many of which are beyond the control of the Group and difficult to predict. A key factor influencing the Group's investment returns will be the performance of the German property market, and in particular the property market in the South Germany, where the Group anticipates a high proportion of its investments taking place. Adverse conditions in the property market in the South of Germany may affect the profitability of the Group.

Dependence on availability of capital

Whilst it is not anticipated that the Group will borrow to make finance acquisition and development costs, the Group may do so. Should the Group require further additional funds, these may not be available when needed, or may not be forthcoming on terms that are advantageous to the Group or Bondholders.

Borrowing exposes the Group to movements in loan interest rates and the possibility that if the values of properties fall, the Group's capital repayment commitments may exceed the capital value of the Group's assets.

Risks related to the Group's investments in residential property market

The Group is exposed to general development risks. The risks of development or refurbishment include, but are not limited to, delays in timely completion of the project; cost overruns; poor quality workmanship and/or design; insolvency of building contractors and professional teams and inability to rent or inability to rent at a level sufficient to generate profits, any of which could have a material adverse effect on the financial condition and results of operations of the Group.

Property market may experience a possible downturn

Properties, including those in which the Group may invest in the future, can be relatively illiquid investments and are typically more difficult, and/or take longer, to realise than certain other investments such as equities, gilts or bonds. This lack of liquidity may affect the ability of the Group to realise valuation gains and to dispose of or acquire properties in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. While the Group monitors and updates its strategy to reflect market conditions, the current economic conditions could materially and adversely affect the ability of the Group to dispose of properties. A decline in the value of the Group's investment property assets may limit or reduce the level of return on the Group's investment in the property, which in turn could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group may not identify all risks and liabilities in respect of an investment

The Group has no prior operating history and none of Group's investments have been acquired. Whilst the Directors have a large amount of experience in the property acquisition and development industry there can be no guarantee that the Directors possess all of the skills necessary in order to carry out the investment strategies of the Group. The activity of identifying, completing and realising on attractive real estate related investments involves a high degree of uncertainty; this may impact on the profitability of the investment.

Competition

Competition may exist that has not been mentioned in this Document or that the Group may not be aware of and which may adversely affect the Group's business. The property development industry is a competitive industry and there may be developments that the Group is not aware of that may compete with the Group's offerings and products.

Risk to changes in regulation

The Group will be under a duty to comply with any new rules, regulations and laws applicable to ownership of real estate property, including changes to planning laws and environmental factors. Approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Group must comply with existing standards, laws and regulations that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the permitting authority. New laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. The Group's intended activities will be dependent upon the grant and maintenance of appropriate licences, leases, permits and regulatory consents which could subsequently be withdrawn or made subject to limitations. There can be no assurance that they will be granted, renewed or, if so, on what terms.

Operational Risk

Operational risk and losses can result from external and internal failures or inadequacies, failure to comply with regulatory requirements and conduct of business rules, natural disasters or the failure of external systems, for example, those of the Group's contractual counterparties.

Terrorist acts, other acts of war or hostility and geopolitical, pandemic or other such events may result in economic and political uncertainties which could have a material adverse effect on the United Kingdom and international economic conditions and more specifically on the Group's results of operations, financial condition or prospects. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Group will be unable to comply with its obligations as a Company with securities admitted to the Gibraltar Stock Exchange or any other stock exchange to which the securities may be admitted.

Dependence on key personnel

The Group's future performance and success is substantially dependent on the continued services and continuing contributions of its Directors and senior management. Although the Group has agreed contractual arrangements to secure the services of the Directors, the retention of these services cannot be guaranteed. The loss of the services of any of the Group's executive officers or senior management could have a material adverse effect on the Group's business.

The Group's future success will also depend on its ability to attract and retain additional suitably qualified and experienced employees. There can be no guarantee that the Group will be able to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Group.

Overseas taxation

The Group may be subject to tax under the tax rules of the jurisdictions in which it invests. Although the Group will endeavour to minimise any such taxes this may affect the performance of the business which may affect the Group's ability to provide returns to Bondholders.

Changes in tax legislation or practice

Statements in this document concerning the taxation of Bondholders or the Group are based on UK tax law and practice as at the date of this document. Any changes to the tax status of the Group or any of its underlying investments, or to tax legislation or practice (whether in the UK or in jurisdictions in which the Group invests), could affect the value of investments held by the Group, affect the Group's ability to provide returns to Bondholders and affect the tax treatment for Bondholders of their investments in the Group (including the applicable rates of tax and availability of reliefs).

Changes in interest rates

Changes in interest rates could adversely affect the results of the Group's operations by increasing finance costs. Any increase in interest rates would increase debt service costs and would adversely affect the Group's cash flow. Changes in interest rates could therefore have an adverse effect on the Group's business, results of operations, financial condition and/or prospects. In addition, if interest rates on any future borrowing entered into are higher than the rates applicable to existing debt, then the Group's profitability may be affected.

Risk of damage to reputation and negative publicity

The Group's ability to retain existing management contracts and client relationships and to attract new business is dependent on the maintenance of its reputation. The Group is vulnerable to adverse market perception as it operates in an industry where a high level of integrity and client trust is paramount. Any perceived, actual or alleged mismanagement, fraud or failure to satisfy the Group's responsibilities, or the negative publicity resulting from such activities or the allegation by a third party of such activities (whether well founded or not) associated with the Group, could have a material adverse effect on the financial condition, results or operations of the Group.

Litigation

Legal proceedings may arise from time to time in the course of the Group's businesses. The Directors cannot preclude that litigation may be brought against the Group and that such litigation could have a material adverse effect on the financial condition, results or operations of the Group.

Risks related to the Bonds generally

The Conditions of the Bonds contain provisions for calling meetings of the Bondholders to consider matters affecting their interests generally and to obtain written resolutions on matters relating to the Bonds from Bondholders without calling a meeting. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Modification, waivers and substitution

The Group may without the consent of Bondholders agree to any modification of the Bond Instrument which is (in the opinion of the Company) of a formal, minor or technical nature or which is made to correct a manifest error.

The EU Directive on the taxation of savings income may result in the imposition of withholding taxes in certain jurisdictions

Under Council Directive 2003/48/EC on the taxation of savings income (the Savings Directive), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, the Issuer nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax.

Risk of early repayment

In the event that a change in law relating to taxation results in the Group becoming obliged to increase the amounts payable under the Bonds, the Group may repay outstanding amounts under the Bonds early. Upon repayment of the Bonds you may not be able to reinvest the repayment proceeds at an effective interest rate as high as the interest rate on the Bonds being repaid and may only be able to do so at a significantly higher rate. You should consider investment risk in light of other investments available at the time.

Change in English Law

The structure of the issue of the Bonds is based on English law, regulatory and administrative practice in effect as at the date of this document, and has due regard to the expected tax treatment of all relevant entities under UK tax law and the published practice of HM Revenue & Customs in force or applied in the UK as at the date of this document. No assurance can be given as to the impact of any possible change to English law, regulatory or administrative practice in the UK, or to UK tax law, or the interpretation or administration thereof, or to the published practice of HM Revenue & Customs as applied in the UK after the date of this document.

The secondary market generally

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. The Bonds are designed for specific investment objectives or strategies. As such, the Bonds generally will have a more limited secondary market and more price

volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Bonds.

Realisation from sale of the Bonds may be less than original investments

A Bondholder, who chooses to sell his Bonds at any time prior to their maturity, may receive a price from such sale which is less than the original investment made. Factors that will influence the price may include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the current financial position and an assessment of the future prospects of the Group.

Exchange rate risks and exchange controls

The Group will pay principal and interest on the Bonds in Sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Sterling or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to Sterling would decrease (i) the investor's currency-equivalent yield on the Bonds, (ii) the investor's currency-equivalent value of the principal payable on the Bonds and (iii) the investor's currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

The Bonds bear interest at a fixed rate rather than by reference to an underlying index. Accordingly, if interest rates rise, then the income payable on the Bonds might become less attractive and the price that may be realised on a sale of the Bonds may fall. However, the market price of the Bonds from time to time has no effect on the total income you receive on maturity of the Bonds if you hold the Bonds until maturity. Further, inflation will reduce the real value of the Bonds over time, which may affect what you could buy with your investment in the future and may make the fixed rate payable on the Bonds less attractive in the future, again affecting the price that you could realise on a sale of the Bonds.

Unsecured

Investors should note that the Bonds are an unsecured debt of the Group and will rank equally with any other unsecured debts of the Group. There is no certain or guarantee that the Group will be able to pay them. If the Group were to become insolvent, there is a risk that (a) some or all of the nominal value of the Bonds will not be redeemed, and (b) some or all of the interest return due on the Bonds will not be paid.

Details of the Bonds

The Bond Instrument is attached in Appendix I of this document. The principal terms of the Bonds are as follows:

- i. the Bonds are denominated in amounts of £100,000;
- ii. for this current Offer, the Bonds have a minimum raise of £200,000 (gross) and a maximum raise will be £45,900,000 gross;
- iii. the Bonds will be redeemed by the Company on the 31st of March 2023;
- iv. in the event that an event of default (as defined in the Bond Instrument) occurs, the Bondholders may require the Company to redeem the Bonds at par;
- v. with effect from their respective dates of issue, the Bonds carry a fixed coupon of 6.5 per cent per annum payable quarterly in arrears to Bondholders on the register, in equal instalments on 31 March, 30 June, 30 September and 31 December each year until the expiry of the bond term;
- vi. the Bonds are freely transferable;
- vii. the Bonds are unsecured; and
- viii. the Bonds shall rank *pari passu* with all unsecured creditors of the Company.

DEFINITIONS

The following terms apply in this Document unless the context requires otherwise:

“Admission”	admission of the Bonds to the Gibraltar Stock Exchange and such admission becoming effective in accordance with the GSX Listing Code for Debt Securities.
“Articles”	the articles of association of the Company
“Board”	the board of directors of the Company
“Bond” or “Bonds”	the Sterling denominated unsecured 6.5% bonds issued by the Company pursuant to the Bond Instrument
“Bondholder” or “Bondholders”	the holders of the Bonds
“Bond Instrument”	the bond instrument, a copy of which is set out in Appendix I to this document
“Company” or “EIGP”	European Investment Grade Properties Plc (UK registered number 9816665)
“Conditions”	the conditions pertaining to the Bond
“Contracted Portfolio”	a real estate portfolio of 8 properties in southern Germany with an open market value of €30.03m and a rental income of €2.3m per annum based on a valuation by Jones Lang La Salle which the Group has contracted to acquire
“CREST”	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form, operated by Euroclear UK & Ireland Limited.
“European Economic Area” or “EEA”	All EU Member States and also Iceland, Liechtenstein and Norway.
“EIGP Group or Group”	the Company and its wholly owned German subsidiary, Rock Real Estate GmbH
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“FCA”	the Financial Conduct Authority
“FSC”	the Gibraltar Financial Services Commission
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
Gibraltar Stock Exchange (“GSX”)	GSX Limited ('GSX'), trading as The Gibraltar Stock Exchange, is a Gibraltar-based private limited Company that, since 2014, has a Stock Exchange license from the Gibraltar Financial Services Commission.
“Interest Date”	31 March, 30 June, 30 September or 31 December in each year
“Securities Note”	this document
Offering Period	
“Ordinary Shares”	ordinary shares of the Company of €0.01 nominal value
“Prospectus”	The Registration Document and this Securities Note collectively.

“Qualified Investor”	as such term is defined in the Financial Conduct Authority Handbook.
“Redemption Date”	in relation to a Bond issue under the Bond Instrument, the maturity date of the Bond
“Registration Document”	The registration document issued by the Issuer dated the 18 th of May 2016 and forming part of the Prospectus.
“Securities Act”	the US Securities Act 1933, as amended
“Target Portfolio”	the target portfolio properties set out on page 13 of this Document
“€”	EURO
“£”	STERLING

APPENDIX I
BOND INSTRUMENT

DATED 20th of July 2016

EUROPEAN INVESTMENT GRADE PROPERTIES PLC

STERLING DENOMINATED UNSECURED 6.5% BOND INSTRUMENT

**THE BOND WITH ISIN GB00BYP0Y667 WITH THE DESCRIPTION
6.5% UNSECURED BONDS OF GBP 100,000 MAY BE HELD AND
TRANSFERRED ELECTRONICALLY IN THE CREST SETTLEMENT
SYSTEM AND ALL CONDITIONS RELATING TO THE ENTRY INTO
THE CREST SYSTEM ARE NOW FULLY SATISFIED**

REGISTERED OFFICE:

55 Baker Street
London
W1U 7EU
United Kingdom

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RISK FACTORS

SCHEDULE

SCHEDULE 1	BOND CERTIFICATE
SCHEDULE 2	INTEREST AND REDEMPTION
SCHEDULE 3	TRANSFER PROVISIONS AND OTHER MATTERS
SCHEDULE 4	MEETINGS OF THE BONDHOLDERS

THIS DEED is made on 20th of July 2016

PARTIES

- (1) European Investment Grade Properties Plc incorporated and registered in England and Wales with company number 9816665 whose registered office is at 55 Baker Street, London W1U 7EU, United Kingdom (the “Company”).

1 INTERPRETATION

- 1.1 The definitions and rules of interpretation in this clause 1 apply in this instrument.

2006 Act: the Companies Act 2006

Articles: the articles of association of the Company, as amended or superseded.

Bonds: units of £100,000 unsecured bonds constituted by this Bond Instrument.

Bondholders: the persons for the time being entered in the register as holders or joint holders of the Bonds.

Bond Instrument: this deed.

Business Day: a day (other than a Saturday, Sunday or public holiday) on which banks in the City of London are open for normal banking business.

Certificate: a certificate for Bonds in the form set out in Schedule 1.

Conditions: the conditions attaching to the Bonds, as set out in Schedule 2 to Schedule 4.

Control: shall be as defined in section 1124 of the Corporation Tax Act 2010.

Directors: the board of Directors for the time being of the Company.

Effective Date: 20th of July 2016.

Event of Default: any of the events set out in paragraph 9 of Schedule 2.

Final Redemption Date: the Bonds will be in issue for a period up to 31 March 2023.

Gibraltar Stock Exchange (“GSX”): GSX Limited, trading as The Gibraltar Stock Exchange, is a Gibraltar-based private limited Company that, since 2014, has a Stock Exchange license from the Gibraltar Financial Services Commission.

Group: the Company and its subsidiaries.

HMRC: HM Revenue & Customs

Ordinary Shares: the ordinary shares of €0.01 each in the capital of the Company, which have the rights set out in the Articles.

Principal: the amount outstanding under the Bonds.

Regulations: the Uncertificated Securities Regulations 2001 (as amended).

Term: the period from the close of the Offer Period to the Maturity Date of the Bonds.

- 1.2 Any phrase introduced by the terms **including, include** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

- 1.3 The Schedules to this instrument form part of (and are incorporated into) this instrument.
- 1.4 A **person** includes a corporate or unincorporated body.
- 1.5 Words in the singular include the plural and vice versa.
- 1.6 A reference to a clause or a Schedule is (unless expressly stated otherwise) a reference to a clause of, or schedule to, this instrument.
- 1.7 Clause and schedule headings do not affect the interpretation of this instrument.
- 1.8 A reference to one gender includes a reference to the other gender.
- 1.9 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the 2006 Act.
- 1.10 This document provides for the Bonds to be held in and transferable through the CREST system.
- 1.11 A reference to any legislation includes that legislation as amended from time to time.

2 NOMINAL AMOUNT

The nominal amount of each Bond is £100,000 and the aggregate principal total amount of the Bonds is up to £50,000,000.

3 RANKING

All the Bonds shall rank *pari passu*, equally and rateably, without discrimination or preference and as unsecured obligations of the Company under this instrument.

4 USE OF PROCEEDS

The proceeds of all subscriptions for the Bonds shall be used for investment purposes and, should the Directors so determine, working capital.

5 BOND CERTIFICATES

- 5.1 Each Bondholder, or the joint holders of Bonds, shall be entitled to receive without charge a Certificate executed by the Company for the amount of Bonds held by him (or them) provided that joint holders of Bonds will only be entitled to receive one Certificate in respect of their joint holding and delivery of a Certificate to the first-named joint holder set out in the register shall be sufficient delivery to all.
- 5.2 Every Certificate shall have a copy of the Conditions endorsed on or attached to it.
- 5.3 Where a Bondholder transfers only part of the Bonds comprised in a Certificate, the old Certificate shall be cancelled and a new Certificate for the balance of such Bonds shall be issued without charge.

6 CONDITIONS OF ISSUE

The Bonds shall be issued subject to, and with the benefit of, the Conditions. The Conditions shall be binding on the Company, the Bondholders and all persons claiming through or under them.

7 BONDS REGISTER

- 7.1 The Company shall keep, or cause to be kept, a register of the Bonds at its registered office or at such other place as the Company shall from time to time designate showing:
- (a) the names and addresses of the Bondholders for the time being of the Bonds;
 - (b) the amount of the Bonds held by every Bondholder and the principal monies paid up on them;
 - (c) the date on which the name of that Bondholder is entered in respect of the Bonds standing in his name;

- (d) the serial number of each Certificate issued and the date of its issue; and
 - (e) the date on which a person ceased to hold the Bonds.
- 7.2 Any change of name or address of any Bondholder shall immediately be notified to the Company and, on receipt, the register shall be altered accordingly. The Bondholders (or any of them) and any person authorised in writing by any of them may, at all reasonable times during office hours, inspect the register and to take copies of it or extracts from it. The Company may, however, close the register for such periods and at such times as the Company thinks fit, provided that the register is not closed for more than 30 Business Days in any one year.

BONDS QUOTED

Applications have been made to admit the Bonds on the Gibraltar Stock Exchange, an EU regulated market. It is possible that the Bonds will also be listed on another stock exchange.

ENFORCEMENT

The Company covenants with each of the Bondholders to perform and observe the obligations in this instrument to the intent that this instrument shall inure for the benefit of all persons for the time being registered as holders of any Bonds, each of whom may sue for the performance and observance of the provisions of this instrument so far as his holding is concerned.

SET-OFF

Each Bondholder shall be recognised by the Company as entitled to the Bonds registered in his name free from any equity, defence, set-off or cross-claim on the part of the Company against the Bondholder.

THIRD PARTY RIGHTS

This instrument is enforceable under the Contracts (Rights of Third Parties) Act 1999 by the Company and any Bondholder, but not by any other person.

EFFECTIVE DATE

This Bond Instrument takes effect from the Effective Date.

8 GOVERNING LAW AND JURISDICTION

- 8.1 This instrument and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 8.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this instrument or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by

**EUROPEAN INVESTMENT GRADE
PROPERTIES PLC**

.....

Director

acting by,
a director, in the presence of:

Witness Signature

Witness Name:

Witness Address:

.....

.....

Witness Occupation:

RISK FACTORS

IN ADDITION TO THE OTHER RELEVANT INFORMATION SET OUT IN THIS SECURITIES NOTE , THE FOLLOWING SPECIFIC FACTORS SHOULD BE CONSIDERED CAREFULLY IN EVALUATING WHETHER TO MAKE AN INVESTMENT IN THIS BOND. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE OR THE CONTENTS OF THIS SECURITIES NOTE , YOU SHOULD SEEK YOUR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES FROM YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANK MANAGER OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED BY THE FCA TO CONDUCT INVESTMENT BUSINESS.

THE BOND IS UNSECURED. THIS MEANS THAT NEITHER THE INTEREST PAYABLE NOR THE INVESTMENT AMOUNT IS GUARANTEED. IF THE COMPANY WERE TO BECOME INSOLVENT THERE IS THE RISK THAT (A) SOME OR ALL OF THE NOMINAL VALUE OF THE BONDS WILL NOT BE REDEEMED; AND (B) SOME OR ALL OF THE INTEREST RETURN DUE ON THE BONDS WILL NOT BE PAID.

BONDHOLDERS MAY RECEIVE LESS THAN THE ORIGINAL AMOUNT INVESTED.

THE BOND IS HELD IN THE NAME OF THE COMPANY, THE COMPANY IS DEPENDENT UPON ITS SUBSIDIARY COMPANIES PERFORMING IN ORDER FOR IT TO BE ABLE TO FUND THE INTEREST REPAYMENTS DURING THE BOND'S FIXED TERM AND REPAY THE CAPITAL AMOUNT ON REDEMPTION.

THE BOND CANNOT BE SOLD OR REDEEMED EXCEPT UNDER THE CONDITIONS SET OUT IN THE BOND INSTRUMENT. AN APPLICATION HAS BEEN MADE FOR THE BOND TO BE ADMITTED TO THE GIBRALTAR STOCK EXCHANGE. AN APPLICATION MAY ALSO BE MADE FOR THE BOND TO BE ADMITTED TO ANOTHER STOCK EXCHANGE.

INVESTMENT IN A SECURITY OF THIS NATURE, BEING AN ILLIQUID INVESTMENT, IS SPECULATIVE, INVOLVING A DEGREE OF RISK. IT MAY NOT BE POSSIBLE TO REDEEM THE BOND PRIOR TO THE FINAL REDEMPTION DATE. THERE MAY NOT BE BUYERS WILLING TO PURCHASE THE BOND IN THE MARKET.

THE BONDS ARE AN UNSECURED DEBT OF THE COMPANY AND THERE IS NO CERTAINTY OR GUARANTEE THAT THE COMPANY WILL BE ABLE TO REPAY THEM.

THE BOND MAY NOT BE A SUITABLE INVESTMENT FOR ALL POTENTIAL BONDHOLDERS.

FACTORS THAT MAY AFFECT THE COMPANY'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE BOND

BUSINESS STRATEGY

The Company has a small key management team which allows it to act quickly and effectively. However, there is a risk that the loss of a member of the team due to, for example, accident or illness could adversely affect the operation of the Company.

ECONOMIC AND POLITICAL CONDITIONS

The Company does not have control over political, legal or regulatory changes within the business environment in which it operates. Any of these three factors could occur in the territory in which the Company, its subsidiaries or associated companies operates.

In particular, any downturn in the German economy or economies where the Company or its subsidiaries operate, could have significant adverse impact on the Company's results or those of its subsidiaries.

OPERATIONAL THREATS

The Group is affected by legislative changes from the UK and Germany. These changes are outside of the control of the Company and can considerably impact and alter the Company's financial performance.

LEGAL AND COMPLIANCE

The Group has significant legal and compliance obligations. The Company is not currently aware of any material failure to adhere to applicable health and safety or environmental laws, litigation or breach of competition laws, or failure to comply with corporate, employee or taxation laws. If any of this were to occur in the future, this could have an adverse impact on the Company's results.

EMPLOYEES

The Company's success depends in part on the continued service of its key management and technical personnel and on its ability to continue to attract, motivate and retain suitably qualified employees. If employees are not adequately skilled or effectively managed this could affect the Company's operations in a number of ways and could have an adverse impact on the Company's results.

FINANCIAL RISKS AND LIQUIDITY

The Company's results and financial condition are entirely dependent on the trading performance of the Group and companies in which the Group holds interests. The Company's ability to pay the interest and repay the Principal amount on redemption will depend upon the level of distributions, if any, received from the Company's operating subsidiaries.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE INVESTMENT RISKS ASSOCIATED WITH THE BOND

The Bond may not be a suitable investment for all potential applicants. Each potential applicant in the Bond must determine the suitability of that investment in light of his own circumstances.

In particular each potential applicant should:

- with the help of an authorised independent financial adviser have sufficient knowledge and experience to make a meaningful evaluation of the Bond, the merits and risks of investing in the Bond and the information contained or incorporated by reference in this invitation or any applicable supplement;
- with the help of an authorised independent financial adviser have access to, and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bond and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bond;
- with the help of an authorised independent financial adviser understand thoroughly the terms of the Bond; and
- be able to evaluate, with the help of an authorised independent financial adviser, possible scenarios for economic, interest rates and other factors that may affect its investment and its ability to bear the applicable risks.

RISKS RELATED TO THE STRUCTURE OF THE BOND

MODIFICATION, DETERMINATION, WAIVERS AND SUBSTITUTION

The Conditions provide that the Company may without the consent of Bondholders and subject to the provisions of the Bond Instrument, agree to any modification of the Bond Instrument which is (in the opinion of the Company) of a formal, minor or technical nature or which is made to correct a manifest error.

CHANGE OF LAW

The Conditions are based on English law in effect as at the Effective Date. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the Effective Date.

FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

The Bond is not protected from loss by the Financial Services Compensation Scheme or equivalent in Gibraltar.

TAX

Bondholders should seek their own tax advice as to the consequences of owning the Bond as well as receiving returns from them. No representation or warranty express or implied, is given to Bondholders as to the tax consequences of their acquiring, owing or disposing of the Bond and neither the Company or its employee/directors will be responsible for any tax consequences for any such applicants. Any commentary is general in nature and is intended as a guide only to the United Kingdom taxation consequences of the acquisition, ownership or redemption of the Bond by a Bondholder resident in the United Kingdom.

INTEREST RATE RISKS

The Bond is a fixed rate obligation and involves the risk that bond holders will not benefit from any subsequent increases in market interest rates.

TRANSFERENCE OR EARLY REDEMPTION

The Bond is transferable.

There are no provisions for early redemption, with the Principal amount plus interest for the seventh and final year being paid on the Final Redemption Date into the account nominated by the Bondholder at issue.

THE FOREGOING FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS AND SIGNIFICANT CONSIDERATIONS INVOLVED IN INVESTING IN THE BOND. ACCORDINGLY AND AS NOTED ABOVE ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE COMPANY MAY ALSO HAVE AN ADVERSE EFFECT ON THE COMPANY'S BUSINESS AND PROSPECTS.

Schedule 1

Bond Certificate

EUROPEAN INVESTMENT GRADE PROPERTIES PLC (the "Company")

DESPATCH NAME
DESPATCHADDRESS1
DESPATCHADDRESS2
DESPATCHADDRESS3
DESPATCHADDRESS4
DESPATCHADDRESS5
DESPATCHPOSTCODE

Certificate No.	Transfer No.	Holder No.	Reference	Date of Issue	Number of Bonds
CERT NO	TFR NO	INVESTORID	REF	DATE	NUMBER

BOND CERTIFICATE

EUROPEAN INVESTMENT GRADE PROPERTIES PLC

Incorporated and registered in England and Wales under the Companies Act 2006
with registered number 9816665.

European Investment Grade Properties Plc Bonds in units of £100,000 each issued pursuant to the Company's Memorandum and Articles and created pursuant to a resolution of the Directors.

This is to certify that:

BONDHOLDER:

ADDRESSLINE:

JOINTNAME1
JOINTNAME2
JOINTNAME3

is the registered holder of the within mentioned Bonds constituted by an instrument entered into by the Company on 20th of July 2016 ("**Bond Instrument**") and issued with the benefit of and subject to the provisions and conditions contained in it and the conditions on this certificate ("**Conditions**"). Interest is payable on these Bonds at 6.5% per annum for the Term in accordance with Schedule 2. These Bonds are transferable in accordance with Schedule 3. The Conditions contain provisions on registration and other matters of an administrative nature relating to the Bonds. Schedule 4 to the Bond Instrument contains the provisions relating to meetings of Bondholders. A copy of the Bond Instrument is provided with this certificate.

Schedule 2

Interest and Redemption

1. Interest shall be payable on any Principal amount outstanding under the Bonds at a rate of 6.5% per annum (the **Interest Rate**) payable quarterly in arrears for the Term, subject to paragraph 8 of this Schedule 2. The interest due will be calculated on a daily basis and accrued up to the date of redemption in accordance with paragraph 8 of this Schedule 2.
2. Any interest due under paragraph 1 of this Schedule 2 shall be payable the respective quarterly yearly dates being on 31 March, 30 June, 30 September and 31 December in each year in which in the Bonds are held.
3. If any date for payment in respect of any Bond is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London, England.
4. Interest, if payable, shall accrue daily at the Interest Rate and shall be calculated on the basis of a 365-day year and the actual number of days elapsed from the date of issue of the Bonds to the Final Redemption Date.
5. Interest, if payable shall be paid to those Bondholders on the register ten Business Days prior to the payment date.
6. If the Company fails to pay redemption monies when due, interest shall continue to accrue on the unpaid amount at the Interest Rate.
7. As and when the Bonds (or any part of them) are to be redeemed in accordance with paragraph 8 of this Schedule 2, the Company shall pay the Bondholders the Principal amount of the Bonds, which are to be redeemed.
8. The Bonds shall be redeemed following the Final Redemption Date at the Principal amount together with accrued interest on the Bonds then outstanding at the Interest Rate.
9. The Bonds then in issue shall be immediately redeemed at the Principal amount, together with interest on the Bonds outstanding at the Interest Rate, if:
 - (a) an administration order is made in relation to the Company; or
 - (b) an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company (except for the purpose of reorganisation or amalgamation of the Company or any of its subsidiaries); or
 - (c) an encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Company and is not discharged, paid out, withdrawn or removed within 21 Business Days; or
 - (d) the Company is deemed for the purposes of section 123 of the Insolvency Act 1986 to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally. (each of 9 (a) to (d) are an **Event of Default**).
10. The Company shall give written notice to the Bondholders immediately on the Company becoming aware of the occurrence of an Event of Default, giving reasonable details of such Event of Default.
11. If, on redemption of a Bond, a Bondholder fails to deliver the Certificate for it or an indemnity in accordance with these Conditions or to accept payment of monies due to him, the Company shall pay the monies due to him into a separate company bank account which payment shall discharge the Company from all further obligations in respect of the Bond.
12. The Company shall cancel any Bonds repaid, redeemed or transferred and shall not reissue them.

Schedule 3

Transfer provisions and other matters

Part 1

1. The Company shall recognise the registered holder of any Bonds as the absolute owner of them and shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to take notice of any trust (whether express, implied or constructive) to which any Bond may be subject. The Company shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to enter any notice of any trust (whether express, implied or constructive) on the register in respect of any of the Bonds.
2. The Bonds are transferable in accordance with this Schedule 3 in integral multiples of £100,000 by instrument in writing in such form as the Directors may approve and such instrument need not be under seal.
3. Each instrument of transfer shall be signed by the transferor, and the transferor shall be deemed to remain the owner of the Bonds to be transferred until the name of the transferee is entered in the register in respect of such Bonds.
4. Each instrument of transfer shall be sent to, or left for registration at, the registered office of the Company for the time being, and shall be accompanied by the Certificate(s) for the Bonds to be transferred and any other evidence that the Company may require to prove the title of the transferor or his right to transfer the Bonds (and, if such instrument is executed by some other person on his behalf, the authority of that person to do so). All instruments of transfer that are registered may be retained by the Company.
5. Payment of the Principal amount and all accrued interest on the Bonds may be made by cheques made payable to the registered holder or, in the case of joint registered holders, to the one who is first-named on the register, or to such person or persons as the registered holder or all the joint registered holders may in writing direct and sent to the registered holder or in the case of joint registered holders to that one of the joint registered holders who is first-named on the register or to such address as the registered holder or joint registered holders may in writing direct. Cheques may be sent through the post at the risk of the registered holder or jointly registered holders and payment of any such cheques by the bankers on whom it is drawn shall be good discharge to the Company.
6. If more than one person is entered in the register as joint holders of any Bonds then, without prejudice to paragraph 5 of this Schedule, the receipt of any one of such holders for any monies payable on or in respect of the Bonds shall be as effective a discharge to the Company or other person making the payment as if the person signing such receipt were the sole registered holder of such Bonds.
7. Claims against the Company for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate relevant date in respect of such payment.
8. If any Certificate is worn out or defaced then, on production of it to the Directors, they may cancel it and may issue a fresh Certificate in lieu. If any Certificate is lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity as the Company may reasonably require. An entry recording the issue of the new Certificate and indemnity (if any) shall be made in the register. No fee shall be charged for the registration of any transfer or for the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other documents relating to or effecting title to any Bonds.
9. Any notice or other document required to be given under this instrument shall be in writing and may be given to or served on any Bondholder by sending it by first-class post in a prepaid envelope addressed to such Bondholder at his registered address. In the case of joint Bondholders, a notice given to, or document served on, the Bondholder whose name stands first in the register in respect of such Bonds shall be sufficient notice to, or service on, all the joint holders. Any such notice sent or document served by first-class post shall be deemed to have been given or served 48 hours, or 96 hours in the case of a notice or document sent to an address for a Bondholder not in the United Kingdom, after the time when it is posted and in proving such notice or service, it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted.

10. Any notice or other document delivered or sent by post to, or left at, the registered address of any Bondholder in pursuance of these provisions shall, notwithstanding that such Bondholder is then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Bonds registered in the name of such Bondholder as sole or first-named joint holder unless his name shall at the time of the service of the notice or document have been removed from the register as the holder of the Bonds, and such service shall for all purposes be deemed sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Bonds.
11. Any notice or other document required to be given under this instrument shall be in writing and may be given to or served on the Company by sending it by first-class post, recorded delivery or special delivery in a prepaid envelope to the Company's registered address, marked for the attention of the company secretary. Any such notice sent or document served by first-class post, recorded delivery or special delivery shall be deemed to have been given or served 48 hours (excluding non-Business Days) after the time when it was posted and in proving such notice or service, it shall be sufficient to prove that the envelope containing the notice or the document was properly addressed, stamped and posted.
12. A copy of this instrument shall be kept at the Company's registered office. A Bondholder (and any person authorised by a Bondholder) may inspect that copy of the instrument at all reasonable times during office hours.
13. The Company may without the consent of Bondholders agree to any modification of the Bond Instrument which is (in the opinion of the Company) of a formal, minor or technical nature or which is made to correct a manifest error.

Part 2

Bonds in Uncertificated Form

1. Pursuant and subject to the Regulations, the Company may permit title to the Bonds to be evidenced otherwise than by a Certificate and to be transferred by means of a relevant system. Title to the Bonds may only be evidenced otherwise than by a Certificate where the Bonds are for the time being a participating security. The Company may also, subject to compliance with the Regulations and the rules of the relevant system concerned, determine that title to the Bonds may, from any date specified by the Company no longer be evidenced otherwise than by a Certificate and/or that title to the Bonds shall cease to be transferred by means of any particular relevant system.
2. For so long as the Bonds are a participating security, no provision of these terms and conditions or the Articles (where applicable) shall apply or have effect in relation to Bonds in uncertificated form to the extent that it is inconsistent with:
 - (a) the holding of title to Bonds in uncertificated form;
 - (b) the transfer of title to Bonds by means of a relevant system; or
 - (c) the Regulations.
3. Without prejudice to the generality of paragraph 2 and notwithstanding anything contained in these terms and conditions or the Articles (as applicable to the Bonds), where the Bonds are a participating security:
 - (a) Bonds may be changed from uncertificated form to certificated form, and from certificated form to uncertificated form, in accordance with and subject to the Regulations and the facilities and requirements of the relevant system concerned, and the Company shall enter on the register of Bondholders how many Bonds each Bondholder holds in uncertificated form and certificated form respectively;
 - (b) the register of Bondholders shall be maintained at all times in the United Kingdom;
 - (c) Bonds may be issued in uncertificated form in accordance with and subject to the Regulations and the facilities and requirement of the relevant system concerned;

- (d) the Company shall comply with the provisions of regulations 21 and 22 of the Regulations in relation to the Bonds held in uncertificated form;
- (e) for the avoidance of doubt, these terms and conditions (as amended from time to time) are applicable to the Bonds held in uncertificated form and shall remain so applicable (and accordingly the Company shall continue to comply with these terms and conditions notwithstanding that they are not endorsed on any Certificate for such Bonds);
- (f) the Company shall provide to any holder of Bonds in uncertificated form a copy of these terms and conditions (as amended from time to time) on his written request (but so that joint holders of such Bonds shall be entitled to receive one copy only of these terms and conditions in respect of the Bonds held jointly by them, which copy shall be delivered to that one of the joint holders whose name stands first in the register of Bondholders in respect of that holding); and
- (g) for the avoidance of doubt, any Bond may be held in uncertificated form by no more than four joint holders.

Schedule 4

Meetings of the Bondholders

1. For the purposes of Schedule 4 only, the definition of Bondholders will constitute the combined nominal holders for all Bonds.
2. The Company may at any time convene a meeting of Bondholders. In addition, the Company shall at the written request of the holders of not less than one-tenth in nominal amount of the outstanding Bonds convene a meeting of the Bondholders. Any meeting shall be held at such place as the Company may designate.
3. At least 14 days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) of every meeting shall be given to the Bondholders. The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted, but it shall not be necessary (except in the case of an Extraordinary Resolution as defined in paragraph 22 below) to specify in the notice the terms of any resolution to be proposed. The accidental omission to give notice to or the non-receipt of notice by, any of the Bondholders shall not invalidate the proceedings at any meeting. A meeting of the Bondholders shall, despite being called at shorter notice than specified above, be deemed to have been duly called if it is agreed in writing by all of the Bondholders.
4. At any meeting the quorum shall be 2 Bondholders holding, or representing by proxy, at least 25% in nominal amount of the outstanding Bonds. No business (other than choosing a Chairman) shall be transacted at any meeting unless the requisite quorum is present.
5. If a quorum is not present, within half an hour from the time appointed for the meeting, the meeting shall be dissolved if it was convened on the requisition of Bondholders. In any other case, it shall stand adjourned to such day and time (at least 14 days later, but not more than 28 days later) and to such place as may be appointed by the Chairman. At such adjourned meeting, 2 Bondholders present in person (or by proxy) and entitled to vote shall constitute a quorum (whatever the nominal amount of the Bonds held by them). At least 14 days' notice of any adjourned meeting of Bondholders shall be given (in the same manner *mutatis mutandis* as for an original meeting). That notice shall state that 2 Bondholders present in person (or by proxy) at the adjourned meeting (whatever the nominal amount of Bonds held by them) shall form a quorum.
6. A person (who may but need not be a Bondholder) nominated by the Company shall be entitled to take the chair at every such meeting but, if no such person is nominated or if the person nominated is not present at the meeting within five minutes after the time appointed for holding the meeting, the Bondholders present shall choose one of their number to be Chairman. Any Director or officer of, and the Secretary and solicitors of, the Company and any other person authorised in that behalf by the Company may attend at any such meeting.
7. Each question submitted to a meeting of Bondholders shall, unless a poll is demanded, be decided by a show of hands.
8. At any meeting of Bondholders unless a poll is demanded by the Chairman or by one or more Bondholders present in person or by proxy and holding or representing in the aggregate not less than one-twentieth in nominal amount of the outstanding Bonds (before or on the declaration of the result of the show of hands), a declaration by the Chairman that a resolution has been carried by the requisite majority, lost or not carried by the requisite majority shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
9. If a poll is duly demanded, it shall be taken in such manner and (subject as set out below) either at once or after an adjournment as the Chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the meeting from continuing for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.
10. If there is an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a casting vote in addition to the vote(s) (if any) to which he may be entitled as a Bondholder or as a proxy.

11. The Chairman may, with the consent of (and shall if so directed by) any meeting at which a quorum is present, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any meeting on the election of a Chairman, or on any question of adjournment, shall be taken at the meeting without adjournment.
13. On a show of hands, each Bondholder who is an individual and is present in person or, being a corporation, is present by its duly authorised representative or by one of its officers as its proxy, shall have one vote. On a poll, each Bondholder present in person or by proxy, shall have one vote for every £100,000 nominal of Bonds held by him and a person entitled to more than one vote need not (if he votes) use all his votes or cast all the votes he uses in the same way.
14. In the case of joint registered Bondholders any one of them shall be entitled to vote in respect of such Bonds either in person or by proxy and, in the latter case, as if the joint holder were solely entitled to such Bonds. If more than one joint holder is present at any meeting either personally or by proxy that one joint holder so present whose name as between himself and the other or others present stands first in the register as one of the joint holders shall alone be entitled to vote in person or by proxy.
15. Each instrument appointing a proxy must be in writing and duly executed by the appointee or his duly authorised attorney or, in the case of a corporation under its common seal or duly executed by a duly authorised attorney or officer. The Chairman may (but shall not be bound to) require evidence of the authority of any attorney or officer. A proxy need not be a Bondholder.
16. An instrument of proxy shall be in the usual or common form or in any other form that the Directors may accept. The proxy shall be deemed to include the right to demand or join in demanding a poll. A proxy shall, unless stated otherwise, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.
17. The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notary certified copy of such power of attorney or authority, shall be deposited at the place specified in (or in any document accompanying) the notice convening the meeting. If no such place is specified, the proxy shall be deposited at the registered office of the Company not less than 48 hours (excluding non-Business Days) before the time appointed for holding the meeting or adjourned meeting or for taking of the poll at which the person named in that instrument proposes to vote. In default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation of the proxy or of the authority under which the proxy is given, unless notification in writing of the revocation has been received at the registered office of the Company or at such other place (if any) specified for the deposit of instruments of proxy in the notice convening the meeting (or any document accompanying it) 48 hours (excluding non-Business Days) before the commencement of the meeting or adjourned meeting or the taking of the poll at which the vote is given.
18. Without prejudice to any of the powers conferred on the Company under any of the provisions of the instrument, a meeting of the Bondholders shall, in addition to any other powers, have the following powers exercisable by Extraordinary Resolution:
 - (a) power to sanction any abrogation, modification or compromise of, or any arrangement in respect of, the Bondholders' rights against the Company, provided the same has been previously approved in writing by the Company, whether those rights shall arise under the instrument, the Bonds or otherwise;
 - (b) power to assent to any modification of the provisions contained in the instrument and the Conditions. Any such modification shall be proposed by the Company and to authorise the Company to execute any supplemental instrument embodying any such modification; and
 - (c) power to:
 - (i) having been previously approved by the Company modify the Final Redemption Date;
 - (ii) reduce or cancel the principal amount payable on the Bonds;

- (iii) reduce the amount payable or modify the method of calculating the amount payable on the Bonds; or
 - (iv) modify the dates for payment in respect of any interest, on the Bonds.
19. An Extraordinary Resolution passed at a meeting of the Bondholders shall be binding on all the Bondholders whether or not they are present at the meeting. Each of the Bondholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify passing it (so that the meeting may determine without appeal whether or not the circumstances justify passing it).
 20. A resolution in writing signed by or on behalf of all the Bondholders shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed at a meeting duly convened and held in accordance with the Conditions. Such resolution in writing may be contained in one document or in several documents in similar form, each signed by one or more Bondholders.
 21. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any minutes, if purporting to be signed by the Chairman of the meeting or by the Chairman of the next succeeding meeting of the Bondholders, shall be conclusive evidence of the matters stated in them. Until the contrary is proved, every meeting for which minutes have been made and signed shall be deemed to have been duly held and convened, and all resolutions passed at the meeting to have been duly passed.
 22. "Extraordinary Resolution", when used in the Conditions, means a resolution which must be passed at a meeting of the Bondholders duly convened and held in accordance with the Conditions by a majority of at least 75% of those Bondholders who attend the meeting and are entitled to vote in person or by proxy.

REGISTERED OFFICE OF THE ISSUER

55 Baker Street
London
W1U 7EU
United Kingdom

LISTING AGENT

Castle Fund Administrators Limited
932 Europort
Gibraltar

LEGAL ADVISERS TO THE COMPANY

Watson Farley & Williams LLP
15 Appold Street
London
EC2A 2HB
United Kingdom

ACCOUNTANTS TO THE COMPANY (UK)

BDO LLP
55 Baker Street
London
W1U 7EU
United Kingdom

ACCOUNTANTS TO THE COMPANY (Gibraltar)

Knights Chartered Accountants
932 Europort
Gibraltar

AUDITORS TO THE COMPANY

BDO LLP
55 Baker Street
London
W1U 7EU
United Kingdom

REGISTRARS FOR THE BONDHOLDERS

Avenir Registrars Ltd
Suite A, 6 Honduras Street
London
EC1Y 0TH
United Kingdom

BOND TRUSTEE

Beaufort Asset Clearing Services
131 Finsbury Pavement
London
EC2A 1NT
United Kingdom