

## DEED OF IRREVOCABLE UNDERTAKING

To: The Directors  
Custodian Property Income REIT plc  
1 New Walk Place  
Leicester  
LE1 6RU

18 JANUARY 2024

Dear Sirs,

### **Proposed all-share merger of Custodian Property Income REIT Plc ("Custodian") and abrnn Property Income Trust Limited ("aPIT")**

I refer to the proposed all-share merger of Custodian and aPIT whereby Custodian intends to acquire the entire issued and to be issued ordinary share capital of aPIT (the "**Merger**").

I understand that the Merger is to be made on, or substantially on, the terms and subject to the conditions set out in the draft announcement proposed to be made in accordance with Rule 2.7 of the City Code on Takeovers and Mergers (the "**Code**"), a copy of which is attached hereto at Schedule 2 (the "**2.7 Announcement**"), together with such amendments or additions to such terms and conditions as may be required by the Panel on Takeovers and Mergers (the "**Panel**"), the Royal Court of Guernsey (the "**Court**"), any applicable law or regulation or as may be agreed between Custodian and aPIT.

I acknowledge that the Merger is expected to be implemented by means of a scheme of arrangement of aPIT under Part VIII of the Companies Law (referred to in this letter as the "**Scheme**", as further defined in paragraph 7), but, with the consent of the Panel, Custodian may elect to implement the Merger by way of takeover offer within the meaning of section 337 of the Companies Law (referred to in this letter as the "**Offer**", as further defined in paragraph 7).

In consideration of Custodian agreeing to the Merger, this letter, which has been executed by me as a Deed, sets out the terms and conditions on which I will vote in favour of the Scheme (if the Merger proceeds by way of the Scheme) or accept the Offer when it is made (if the Merger proceeds by way of the Offer), together with such additional terms and conditions as are usual in transactions of this nature or as may be required to comply with the Listing Rules and the requirements of the Code and/or such additional terms and conditions as may be agreed by the Panel and is given by me in my capacity as a shareholder of aPIT and not in my capacity as a director of aPIT.

Capitalised terms used in this letter shall have the meanings given to them in paragraph 7, unless otherwise defined herein.

### **1. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

1.1 I confirm, represent and warrant to Custodian that:

- (a) I am the beneficial owner of (or I am otherwise able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of) and/or I am the registered holder of the number of ordinary shares of 1 penny each in the capital of aPIT shown in paragraph 1 of Schedule 1 (the "**Committed**

**Shares"**, which expression shall include any other shares in the capital of aPIT in respect of which I may become the registered holder or beneficial owner after the date of this letter);

- (b) the Committed Shares comprise my entire interest in the share capital of aPIT as at the date of this letter and are held, and will be acquired by Custodian pursuant to the Merger, free from all liens, charges, options, equities, rights of pre-emption and other encumbrances and third party rights and interests of any nature and together with all rights (including the right to all dividends and distributions) now or subsequently attaching or accruing to them (save as may otherwise be provided for pursuant to the terms of the Merger);
  - (c) I have no other interests (as defined in the Code) in, or options, warrants or convertible securities in respect of, the shares or securities of aPIT, or any rights to subscribe for shares in the capital of aPIT, other than as set out in Schedule 1 to this letter; and
  - (d) I have full power, authority, discretion and the right (free from any legal or other restrictions) and will at all times continue to have all relevant power and authority and the right, to enter into this letter and perform my obligations under this letter in accordance with its terms.
- 1.2 Prior to this letter and the undertakings contained within it terminating in accordance with paragraph 6, and subject to my legal and fiduciary duties as a director of aPIT and to my obligations under the Code, I hereby irrevocably undertake to Custodian that before the Court Order sanctioning the Scheme is filed with the Guernsey Registry (if the Merger is proceeding by way of the Scheme), or before the Offer becomes unconditional in all respects, lapses or is withdrawn (if the Merger is proceeding by way of the Offer), I shall not, and I shall procure that no registered holder of any Committed Shares shall:
- (a) sell, transfer, assign, charge, pledge or otherwise encumber, or grant any option, lien or other right over or otherwise dispose of, deal with or permit any of the foregoing in relation to, any or all Committed Shares or any interest in any of them (whether conditionally or unconditionally), other than pursuant to the Merger;
  - (b) accept or agree to accept any other offer in respect of the Committed Shares, or vote qua shareholder in favour of, or give any undertaking or commitment to vote qua shareholder in favour of, in each case, whether conditionally or unconditionally, any offer, scheme or arrangement, merger, business combination or shareholder resolution to approve an acquisition or any other transaction involving all or any of the Committed Shares which is proposed by any person other than Custodian;
  - (c) until the earlier of: (i) this letter and the undertakings contained within it terminating in accordance with paragraph 6.1 or (ii) the Scheme being approved by the Court, not purchase any further Ordinary Shares or any interest in any further Ordinary Shares without prior confirmation from the Panel that I am not deemed to be acting in concert with Custodian in connection with the Merger;
  - (d) exercise or procure the exercise of the voting rights attaching to the Committed Shares in any manner in respect of a Relevant Resolution, in either case which

would or might reasonably be expected to frustrate, impede or delay the Merger or prevent the Merger from completing;

- (e) deposit any or all Committed Shares into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with this letter;
- (f) in my capacity as a shareholder of aPIT (or as a beneficial owner of Ordinary Shares), requisition, or join in requisitioning, any general or class meeting of aPIT for the purposes of voting on any resolution to approve an acquisition or any other transaction or corporate action which is proposed in competition with or which would otherwise be reasonably expected to frustrate, impede or delay the Merger;
- (g) other than in connection with the Merger, enter into any agreement or arrangement, permit any agreement or arrangement to be entered into, incur any obligation (other than any obligation imposed by law) or permit any obligation to arise or give any undertaking or indication of intent (in any case whether conditionally or unconditionally and whether or not legally binding):
  - (i) to do any of the acts referred to in paragraphs 1.2(a) to 1.2(e) of this letter; or
  - (ii) which would or might restrict, hinder, frustrate or impede me voting the Committed Shares or procuring the voting of the Committed Shares in favour of the Scheme or, as the case may be, accepting or procuring the acceptance of the Offer in respect of the Committed Shares, or which would otherwise preclude me from complying with my obligations in this letter,

and, for the avoidance of doubt, references in this paragraph 1.2(g) to any agreement, arrangement, obligation, undertaking or indication of intent includes any agreement, arrangement, obligation, undertaking or indication of intent whether or not legally binding or subject to any condition or which is to take effect upon or following the lapsing of the Merger, this letter ceasing to be binding or following any other event.

- 1.3 I undertake to cause the registered holder of any Committed Shares in respect of which I hold beneficial but not legal title to comply with the undertakings in this paragraph 1 in respect of such Committed Shares.

## **2. UNDERTAKINGS IN RELATION TO A SCHEME**

- 2.1 Unless and until this letter lapses in accordance with paragraph 6, if the Merger is implemented by means of the Scheme, I hereby irrevocably undertake to Custodian that:

- (a) I shall (unless Custodian otherwise requests in writing in advance), exercise (or, where applicable, procure the exercise of) all voting rights (whether on a show of hands or a poll and whether in person or by proxy) attaching to the Committed Shares:
  - (i) to vote in favour of all of the resolutions to approve the Scheme to be proposed at the general meeting of aPIT (the "**GM**") and Court convened

meeting of aPIT (the "**Court Meeting**") in connection with the Scheme, or at any adjournment of any such GM and/or Court Meeting; and

- (ii) against any resolutions (whether or not amended and whether put to the relevant meeting on a show of hands or conducted by way of a poll) to be proposed at the General Meeting or Court Meeting which (if passed) might reasonably be expected to result in any condition of the Merger not being fulfilled or which might reasonably be expected to delay, impede or frustrate the Merger in any way;
- (b) in my capacity as a shareholder of aPIT (or as a beneficial owner of Ordinary Shares), I shall exercise, or where applicable, procure the exercise of, all rights attaching to the Committed Shares to requisition or join in the requisitioning of any GM as Custodian may request for the purpose of considering any Scheme Resolution, or to require aPIT to give notice of any such meeting, only in accordance with Custodian's instructions;
- (c) without prejudice to any right I have to attend and vote in person at the GM and the Court Meeting, I shall, if required by Custodian, execute (or procure the execution of) any forms of proxy appointing any person nominated by Custodian to attend and exercise all voting rights attaching to the Committed Shares at the GM, the Court Meeting and any other meeting of aPIT Shareholders convened in connection with the Scheme as directed by Custodian and:
- (i) ensure that any such form(s) of proxy is received by aPIT's registrars not later than 6.00 p.m. on the tenth Business Day after the date of publication of the shareholder circular setting out the full terms and conditions of the Scheme (the "**Scheme Document**") or, in relation to Committed Shares in respect of which I may become the registered holder or beneficial owner after the date of this letter, as soon as reasonably practicable after becoming the registered holder (or beneficial owner) of such Committed Shares; and
  - (ii) in respect of any Committed Shares held in uncertificated form, take or procure the taking of any other action which may be required by Custodian in order to make a valid proxy appointment and give valid proxy instructions (to vote in favour of the resolutions to approve the Scheme); and
- (d) I shall not revoke (or procure the revocation of) the terms of any proxy submitted in accordance with paragraph 2.1(c) of this letter, either in writing or by attendance at any GM or Court Meeting (or any adjournment thereof) or otherwise;
- (e) I shall cause the registered holder of any Committed Shares which are not registered in my name to comply with (and I shall take all actions as may be necessary or desirable in order to enable the registered holder of any such shares to comply with) the undertakings in paragraphs 2.1(a) to 2.1(d); and
- (f) I shall from time to time promptly complete, execute and deliver such documents and do all such other things as may be necessary to give full effect to each of my undertakings, agreements, warranties, representations, appointments and consents as set out in this letter.
- 2.2 The foregoing undertakings are given by me solely in relation to my interest in the Committed Shares and shall not restrict any actions taken by me in my capacity as a director of aPIT or any of its subsidiaries.

### **3. UNDERTAKINGS IN RELATION TO AN OFFER**

3.1 If the Merger proceeds by way of an Offer, I hereby irrevocably undertake to Custodian:

- (a) that any undertakings, agreements, warranties, appointments, consents and waivers in this letter shall apply *mutatis mutandis* to such Offer;
- (b) to accept (or procure the acceptance of) the Offer in respect of the Committed Shares in accordance with the procedure for acceptance set out in the Offer Document not later than 6.00 p.m. on the tenth Business Day after the publication of the Offer Document, or, in relation to Committed Shares in respect of which I may become the registered holder or beneficial owner after the date of this letter, as soon as reasonably practicable after becoming the registered holder (or beneficial owner) of such Committed Shares;
- (c) to do or procure to be done all such things as may be required to give effect to such acceptance, whether by delivery of share certificates for the Committed Shares or otherwise; and
- (d) although the terms of the Offer may confer a right of withdrawal on accepting shareholders, I shall not, without the prior written consent of Custodian, withdraw or procure the withdrawal of any acceptances of the Offer in respect of the Committed Shares, notwithstanding that I may have become entitled to withdraw my acceptance by virtue of the rules of the Code or the terms of the Offer; and
- (e) I undertake to cause the registered holder of any Committed Shares in respect of which I hold beneficial but not legal title to comply with the undertakings in this paragraph 3 in respect of such Committed Shares.

3.2 I further undertake, if so required by Custodian, to execute or procure the execution of all such other documents as may be necessary for the purpose of giving Custodian the full benefit of my undertakings so applying with respect to such Offer.

3.3 The foregoing undertakings are given by me solely in relation to my interest in the Committed Shares and shall not restrict any actions taken by me in my capacity as a director of aPIT or any of its subsidiaries.

### **4. INFORMATION, DOCUMENTATION AND CONFIDENTIALITY**

4.1 I consent to:

- (a) the inclusion of references to me and the registered holder of any Committed Shares and particulars of this letter and my holdings of relevant securities being included in the 2.7 Announcement, the Scheme Document (or Offer Document, as applicable) and any other announcement made, or document issued, by or on behalf of Custodian and/or aPIT in connection with the Merger (each a Merger Document) as required by Rule 2.10(b) of the Code; and
- (b) this letter being made available for inspection as required by Rule 26.1 of the Code.

4.2 I undertake to promptly on demand provide, or procure the provision, to Custodian of all information required to be included in any document relating to the Merger by any

applicable law, the Listing Rules, the Code, the Panel, or any other applicable requirements, in relation to my interest in aPIT and that of any person connected with me. I 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 Custodian by me in this regard.

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

4.4 I acknowledge that I am obliged to make appropriate disclosure under Rule 2.10 of the Code (and Rule 17, where relevant) promptly after becoming aware that I will not be able to comply with the terms of this letter or no longer intend to do so.

## **5.     **SECRECY****

5.1 Save as may be required by any competent regulatory body, I shall keep secret the possibility, terms and conditions of the Merger, the name of Custodian and members of its group and its involvement in the Merger and the existence and terms of this letter until the 2.7 Announcement is released, provided that I may disclose the same to the board of aPIT and its advisers. The obligations in this paragraph 5 shall survive termination of this letter.

5.2 I understand that the information you have given me in relation to the Merger must be kept confidential until the 2.7 Announcement is released or the information has otherwise become generally available. To the extent any of the information is inside information for the purposes of the Criminal Justice Act 1993 or the Market Abuse Regulation No. 596/2014 (as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended)), I will comply with the applicable restrictions on dealing in securities and disclosing inside information.

## **6.     **TERMINATION****

6.1 This letter shall automatically terminate and be of no further effect and all of my obligations under this letter shall lapse (without prejudice to any prior or existing breaches of the obligations) in the event that:

(a) an announcement substantially in the form of the 2.7 Announcement is not released by 5.00 p.m. on 31 January 2024, or such later time and date as may be agreed between Custodian and aPIT;

(b) in the event the Merger proceeds by way of a Scheme:

(i) the Scheme Document is not published within the permitted time period under the Code or such later time and date as may be determined by Custodian with the consent of aPIT and the Panel; or

(ii) the Scheme or any resolution to be proposed is not approved by the requisite majority of aPIT Shareholders at the GM or the Court Meeting;

- (c) in the event the Merger proceeds by way of an Offer, the Offer Document is not posted to aPIT Shareholders within the permitted time period under the Code or as otherwise agreed with the Panel;
  - (d) Custodian announces, with the consent of the Panel and before the Scheme Document or Offer Document (as applicable) is published, that it does not intend to proceed with the Merger;
  - (e) the Scheme or Offer, as applicable, does not become effective (or has not become or been declared unconditional in all respects in accordance with the requirements of the Code, as the case may be) by the Long Stop Date or such later time or date as Custodian and aPIT agree in writing with the consent of the Panel;
  - (f) the Scheme or Offer, as applicable, lapses or is withdrawn in accordance with its terms;
  - (g) any competing offer for the entire issued and to be issued share capital of aPIT becomes or is declared unconditional (if implemented by way of a takeover offer) or, if proceeding by way of a scheme of arrangement, becomes effective in accordance with its terms; or
  - (h) any event occurs or becomes known to Custodian or its financial adviser before despatch of the Scheme Document or the Offer Document (as the case may be) as a result of which the Panel requires or agrees that Custodian need not make the Offer.
- 6.2 If this letter terminates or lapses, no party shall have any claim against any other save in respect of any prior breach.
- 6.3 Subject to the requirements of the Code, the Panel, the Court and any applicable law or regulation, nothing in this letter shall oblige Custodian to announce the Merger or, if announced, to proceed with it.

## 7. INTERPRETATION

7.1 In this letter, unless otherwise defined:

"**aPIT Shareholders**" means the holders of ordinary shares of 1 penny each in the issued share capital of aPIT;

"**Business Day**" has the meaning given to it in the Code;

"**Companies Law**" means the Companies (Guernsey) Law, 2008, (as amended), all enactments which are to be read as one with, or construed or read together with the Companies (Guernsey) Law, 2008 and every statutory modification and re-enactment thereof for the time being in force;

"**Guernsey Registry**" the body authorised by the States of Guernsey to maintain various registers as required by Guernsey legislation and operating under the name Guernsey Registry;

**"Listing Rules"** means the listing rules made by the United Kingdom's Financial Conduct Authority (as amended from time to time) under Part 6 of the Financial Services and Markets Act 2000 as amended;

**"Long Stop Date"** shall have the meaning given to it in the 2.7 Announcement;

**"Offer"** means an offer made by or on behalf of Custodian to acquire all the issued and to be issued ordinary share capital of aPIT substantially on the terms of the 2.7 Announcement or on such other terms as may be agreed between Custodian and aPIT or as may be required to comply with the requirements of the Panel, the Listing Rules and/or the London Stock Exchange (provided that such other terms and conditions do not result in a reduction of the value of the consideration receivable by aPIT's shareholders under the Offer), and any reference to the Offer includes any new, increased, renewed or revised offer made by or on behalf of Custodian to acquire shares in aPIT, provided that the terms of such offer are no less favourable to aPIT's shareholders than the terms set out in the 2.7 Announcement;

**"Offer Document"** means a document to be despatched to (amongst others) aPIT Shareholders containing, amongst other things, the terms and conditions of any Offer;

**"Relevant Resolution"** means: (i) any Scheme Resolution; (ii) any other resolution (whether or not amended) proposed at a general or class meeting of aPIT, or at an adjourned meeting thereof, the passing of which is necessary to implement the Merger or which, if passed, would be reasonably likely to result in any condition of the Merger not being fulfilled or impacted adversely, or which would be reasonably likely to frustrate or impede the Merger in any way (including, without limitation, any shareholder resolution to approve any scheme of arrangement in relation to aPIT which is proposed by a person other than Custodian); (iii) a shareholder resolution to adjourn a general or class meeting of aPIT whose business includes the consideration of a shareholder resolution falling within (i) or (ii); and/or (iv) a shareholder resolution to amend a resolution falling within (i), (ii) or (iii);

**"relevant securities"** has the meaning given to it in the Code;

**"Scheme"** means the proposed scheme of arrangement of aPIT under Part VIII of the Companies Law;

**"Scheme Document"** means the document to be despatched to (amongst others) aPIT Shareholders containing, amongst other things, the terms and conditions of the Scheme;

**"Scheme Resolution"** means any resolution (whether or not amended) proposed at any GM or Court Meeting (or at any adjournment thereof) otherwise put to shareholders of aPIT which:

- (i) might reasonably be expected to have any impact on the fulfilment of any condition to the Merger;
- (ii) is necessary to implement the Merger;
- (iii) might reasonably be expected to impede or frustrate the Merger in any way or adversely impact on the timing of the Merger (including but not limited to any resolution to approve a scheme of arrangement proposed by a third party in competition with the Scheme),



and includes any shareholder resolution to adjourn a meeting at which such a resolution is to be considered and any shareholder resolution to amend a resolution falling within this paragraph; and

7.2 All references to time are to London time.

7.3 References to "Rules" are to Rules of the Code.

## **8. TIME OF THE ESSENCE**

Any time, date or period mentioned in this letter 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.

## **9. CONFIRMATION**

9.1 I confirm by signing this letter that Custodian's financial adviser, Numis Securities Limited ("**Deutsche Numis**"), has clearly indicated to me that it is not acting for me and will not be responsible for providing the protections afforded to clients of Deutsche Numis or advising me on any matters relating to the Merger howsoever implemented.

9.2 I confirm that I have been given an adequate opportunity to consider whether or not to enter into this letter and to obtain independent advice.

## **10. POWER OF ATTORNEY**

10.1 In order to secure the performance of my obligations under this letter, I irrevocably appoint (and, where applicable, shall procure that the registered holder of the Committed Shares shall appoint) any director for the time being of Custodian as my (or their, as applicable) attorney to sign, execute and deliver, as the case may be, forms of proxy and forms of election and/or all other such documents and do all such other acts and things as may be necessary for, or incidental to, the performance of my (or their, as applicable) obligations and undertakings under this letter within the specified period, provided that this appointment shall not take effect unless I fail to comply with any such obligation within the relevant time specified for compliance and I (and, where applicable, I shall procure that they) irrevocably undertake to ratify such acts and things if called upon to do so.

10.2 I agree that this power of attorney is (and, where applicable, the power of attorney granted by the registered holder of the Committed Shares shall be) given by way of security and is irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 until this letter lapses or terminates, or (if earlier) the Merger becomes effective in accordance with its terms or, as the case may be, unconditional in all respects. I undertake to ratify everything which an attorney, acting in accordance with the terms of this power of attorney, may do or purport to do.

10.3 Subject to paragraph 10.1, the power of attorney granted under this paragraph 10 shall at any time take effect as if it had individually named the persons who are at that time directors of Custodian.

## **11. SPECIFIC PERFORMANCE**

I confirm that I fully understand my obligations hereunder and the consequences of entering into the obligations. I understand and agree that, if I fail to fulfil the obligations in accordance with this letter or breach any of those obligations, damages would not be an adequate remedy and accordingly Custodian shall be at liberty to seek the remedies of specific performance, injunction or other equitable relief and no proof of special damages shall be necessary for the enforcement by Custodian of its rights.

## **12. POSITION AS A DIRECTOR**

Nothing in this letter shall constitute an obligation for me, in my capacity as a director of aPIT, to take any action which is not permitted by Practice Statement 29 issued by the Panel with respect to Rule 21.2 of the Code. You recognise that in my capacity as a director of aPIT, I owe fiduciary duties to aPIT and I have duties under the Code (together, the "**Legal Duties**") and accordingly nothing in this letter will require or oblige me to do or refrain from doing any act or thing which would have the effect of contravening those Legal Duties or which is otherwise done or not done in my capacity as a director of aPIT.

## **13. GENERAL**

- 13.1 I acknowledge that the release of the 2.7 Announcement is at Custodian's absolute discretion and, in particular, Custodian reserves the right not to release the 2.7 Announcement unless the board of aPIT agrees to recommend the Merger. For the avoidance of doubt, nothing in this letter shall oblige Custodian to announce or effect the Merger. In particular, if, after the release of the 2.7 Announcement, Custodian ceases to be required by the Code to implement the Merger, or the Panel consents to Custodian not implementing the Merger, then Custodian shall not be obliged to proceed with the Merger.
- 13.2 In respect of any Committed Shares not registered in my name, I undertake to take all steps within my power to cause their registered holder to comply with my obligations under this letter.
- 13.3 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.
- 13.4 The parties to this letter do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.
- 13.5 This letter may only be treated as having been executed and delivered as a deed if it has been dated.

## **14. GOVERNING LAW**

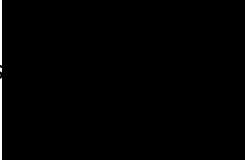
This letter and any non-contractual obligations arising out of or in relation to it or its formation, shall be governed by and construed in accordance with English law and I submit to the exclusive jurisdiction of the English courts for all purposes in connection with this letter.

**IN WITNESS** whereof this letter has been executed and delivered as a deed this 18th day of JANUARY 2024.

**Executed** as a **deed** by Michael Balfour in the presence of:



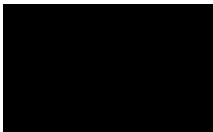
signature  
of witness



name

print name of witness

address



**SCHEDULE 1****Committed Shares**

1. My interests (as defined in the Code), including shareholdings in respect of ordinary shares of myself and persons connected with me within sections 252-256 of the Companies Act 2006, in securities of aPIT on the date hereof are as follows:

	<b>Name of beneficial owner</b>	<b>Name of registered holder, if different*</b>	<b>Number of shares</b>
1	Michael Balfour	Interactive Investor Nominee Services Limited	125,000

*\* In the event there is more than one registered holder, please indicate the number of Committed Shares attributed to each.*

## **SCHEDULE 2**

### **2.7 Announcement**