

# Value and Risk Advisory Valuation report

Client: Urban Logistics REIT PLC

Property: Urban Logistics REIT Portfolio

**Date:**

23 May 2025

# Appendices

**Appendix 1**.....General Terms and Conditions

**Appendix 2**.....General Principles

**Appendix 3**.....Definition of Market Value

23 May 2025

Urban Logistics REIT plc ("Urban Logistics" or the "Company")  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

Your ref

Our ref

Direct Line +447739591473

stuart.smith@jll.com

Lazard & Co., Limited (in their capacity as lead financial adviser to Urban Logistics) ("Lazard")  
50 Stratton Street  
London  
W1J 8LL

Kinmont Limited (in their capacity as financial adviser to Urban Logistics) ("Kinmont")  
5 Clifford Street  
London  
W1S 2LG

Panmure Liberum Limited (in their capacity as joint corporate broker to Urban Logistics) ("Panmure Liberum")  
Ropemaker Place, Level 12  
25 Ropemaker Street  
London,  
EC2Y 9LY

Joh. Berenberg, Gossler & Co. KG, London Branch (in their capacity as joint corporate broker to Urban Logistics) ("Berenberg")  
60 Threadneedle St  
London  
EC2R 8HP

LondonMetric Property plc ("Bidco")  
1 Curzon Street  
London  
W1J 5HB

Barclays Bank PLC (acting as joint financial adviser and corporate broker to Bidco) ("Barclays")  
1 Churchill Place  
London  
E14 5HP

J.P. Morgan Securities plc (acting as joint financial advisor and corporate broker to Bidco) ("JP Morgan")  
25 Bank Street  
Canary Wharf  
London  
E14 5JP

Peel Hunt LLP (acting as joint financial adviser and corporate broker to Bidco) ("Peel Hunt")  
7th Floor, 100 Liverpool Street  
London  
EC2M 2AT

(each of Lazard; Kinmont; Panmure Liberum; Joh. Berenberg; Bidco; Barclays; JP Morgan; and Peel Hunt in its capacity as Addressee only as set out below)

Dear Directors

## Terms of Reference

### Addressee:

The client for the purposes of the Instruction is the Company. The Valuation Report will be addressed to:

- 1) Urban Logistics REIT plc, Central Square, 29 Wellington Street, Leeds, LS1 4DL;
- 2) Lazard & Co., Limited, 50 Stratton Street, London, W1J 8LL;
- 3) Kinmont Limited, 5 Clifford Street, London, W1S 2LG;
- 4) Panmure Liberum Limited, Ropemaker Place, Level 12, 25 Ropemaker Street, London, EC2Y 9LY;
- 5) Joh. Berenberg, Gossler & Co. KG, London Branch, 60 Threadneedle St, London, EC2R 8HP;
- 6) LondonMetric Property plc, 1 Curzon Street, London, W1J 5HB;
- 7) Barclays Bank PLC, 1 Churchill Place, London, E14 5HP;
- 8) J.P. Morgan Securities plc, 25 Bank Street, Canary Wharf, London, E14 5JP; and
- 9) Peel Hunt LLP, 7<sup>th</sup> Floor, 100 Liverpool Street, London, EC2M 2AT,

together the **"Addressees"**.

For the avoidance of doubt, the Company will be our client of record and we will only take instruction from the Company and not any of the other Addressees.

### Instruction and Purpose of Valuation:

In accordance with our letter dated 16 May 2025 we are instructed to provide Urban Logistics REIT Plc (the **"Client"**, **"Company"**, **"you"**, **"your"**) with a report in a form compliant with Rule 29 of the City Code on Takeovers and Mergers (the **"Code"**) (the **"Valuation Report"**), for the purposes of inclusion in the scheme document to be published by the Company (the **"Scheme Document"**) (the **"Purpose"**) in connection with the recommended offer by Bidco for the entire issued, and to be issued, ordinary share capital of the Company (the **"Proposed Transaction"**) (the **"Instruction"**).

We acknowledge that the Valuation Report will be published on a website in accordance with Rule 26.3 of the Code.

Our valuation and report has been undertaken in accordance with the current RICS Valuation – Global Standards, which incorporates the International Valuation Standards, and the RICS UK national supplement (together "the RICS Red Book")

We confirm that the valuations have been prepared in accordance with the requirements of Rule 29 of the Code. The Properties have been valued by a valuer who is qualified for the purposes of the valuation in accordance with Rule 29 of the Code.

### Property Address & Tenure: (**"The Property"**)

Asset No.	Property Address	Tenure
1	Shift Group (Tuffnells), The Wallows Industrial Estate, Brierley Hill, DY5 1QA	Freehold
2	Master Removers Group, Bridge Street, Golborne, WA3 3BB	Freehold
3	Shift Group (Tuffnells), Caldwell Industrial Estate, Lanark, ML11 7SR	Freehold
4	Melton Distribution Centre, Saxby Road, LE13 1BY	Freehold
5	Royal Mail, Acres Rise, Melton Mowbray, LE13 1RL	Freehold
6	East Midlands Distribution Hub, Saxby Road, LE13 1BY	Freehold

Asset No.	Property Address	Tenure
7	Units 1-12 Denmore Industrial Estate, Aberdeen, AB23 8JW	Freehold
8	Iron Mountain, 25 Wellheads Terrace, Aberdeen, AB21 7GF	Freehold
9	NHS Supply Chain, West Way, Alfreton, DE55 4QJ	Freehold
10	DX Network Services, 87 Livingstone Rd, Andover, SP10 5NS	Leasehold
11	Units 18 & 19 Walworth Industrial Estate, Andover, SP10 5AZ	Leasehold
12	Unit 73 Interlink Way, Interlink Business Park, Bardon, LE67 1LD	Freehold
13	DHL Supply Chain, Beveridge Lane, Bardon, LE67 1UA	Freehold
14	Glaisdale Parkway, Nottingham, NG8 4JX (Land)	Freehold
15	Vita Cellular Foams, Prima Foam House, Bedford, MK41 0ZW	Freehold
16	Central Pharma, 16 Hudson Road, Elm Farm Industrial Estate, Bedford, MK41 0LZ with Land	Freehold
17	ACO Technologies, Caxton Road, Elm Farm Industrial Estate, Bedford, MK41 0HT	Freehold
18	Regent House, Wolseley Road, Bedford, MK42 7JY	Freehold
19	Booker, Brunel Way, Blackpool, FY4 5NP	Freehold
20	Delamode, Units 10a and 10b, 700 Avenue West, Braintree, CM77 7AA	Freehold
21	Royal Mail, Unit 2, The Waterfront Business Park, Brierley Hill, DYX 1LX	Freehold
22	David Hathaway Transport, 30 Woodward Avenue, Yate, Bristol, BS37 5YS	Freehold
23	Great Bear Distribution, Thermal Road, Bromborough, CH62 3PS	Freehold
24	Manitowoc Crane Group UK, Network 421, Radclive Road, Buckingham, MK18 4FD	Freehold
25	DHL International, 2B Stirling Way, Papworth Everard, Cambridge, CB23 3GY	Leasehold
26	Nippon Express, Unit 2B Willow Farm, Castle Donnington, DE74 2EB	Freehold
27	228 Old London Road, Colchester, CO6 1EQ	Freehold

Asset No.	Property Address	Tenure
28	DX Network Services, Stephenson Place, Crawley, RH10 1TL	Freehold
29	PHS, Fairview Industrial Estate, Curdworth, B76 9EE	Freehold
30	Nene & Logistics House, Daventry, NN11 8EA	Freehold
31	Glass Onion Vintage, Unit 2 Silkstone Court, Barnsley, Dodworth, S75 3SP	Freehold
32	Premier Modular, Unit 1-3 Catfoss Lane, Drifffield, YO25 8EJ	Freehold
33	Premier Modular, Unit 4 Catfoss Lane, Drifffield, YO25 8EJ	Freehold
34	Spire Healthcare, Unit SC101 Pointon Way, Droitwich, WR9 0LW	Freehold
35	Amazon, Droitwich 125, Droitwich, WR9 0QH	Freehold
36	Riverside Distribution Centre, Dundee, DD2 1UR	Freehold
37	DPD, Unit 3 Fowler Road, Dundee, DD5 3RU	Freehold
38	Stanley Black & Decker, Green Lane Industrial Estate, Spennymoor, DL16 6YJ	Freehold
39	The Range, Milton Link, Edinburgh, EH15 3QH	Freehold
40	Costa, Milton Link, Edinburgh, EH15 3QH	Freehold
41	Wildstone Estates, Milton Link, Edinburgh, EH15 3QH (advertising hoarding)	Freehold
42	Unit 2 & 3 Vauxhall Supplier Park, Ellesmere Port, CH65 1BL	Freehold
43	Booker, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7LW	Leasehold
44	PFS, Unit 11 Barnes Wallis Road, Farnham, PO15 5TT	Freehold
45	Units 8, 8A & 8B Farnham Trading Estate, Farnham, GU9 9NN	Freehold
46	Pitreavie Packaging, Deerdykes Place, Cumbernauld, Glasgow, G68 9HE	Freehold
47	Unit 104, 260-266 Helen Street, Glasgow, G51 3JG	Freehold
48	Ebuyer & Wren Kitchens, Howden Dyke, Goole, DN14 7UW	Freehold
49	Plot 2000 Haverhill, Haverhill, CB9 7AE	Freehold

Asset No.	Property Address	Tenure
50	Plot 5000 Haverhill, Haverhill, CB9 7FD	Freehold
51	DHL Supply Chain, Wagonway Road, Hebburn, NE31 1SP	Freehold
52	Units 1-5 Charlton Mead Lane, Hoddesdon, Hertfordshire, EN11 0DJ (Muller & Hoddesdon Studios)	Freehold
53	GXO/Tesco Distribution, Orchard House, Dodwells Road, Hinckley, LE10 3BZ	Freehold
54	Unit 13 & 14 Lime Kilns, Hinckley, LE10 3EL	Freehold
55	Sainsburys (Bidfood / Oliver Kay) & Travis Perkins, Unit A & Unit B Belcon Industrial Estate, Hoddesdon, EN11 0DR	Leasehold
56	Fedex, Unit 2, 43 St Peters Road, Huntingdon, PE29 7DF	Leasehold
57	Netceed, Unit 1 Sawtry, Huntingdon, PE28 5XN	Freehold
58	Charpak, Unit 9, Tower Close, Huntingdon, PE29 7BZ	Freehold
59	Red Dot Europe, 1 Goddard Road, Ipswich, IP1 5NP	Freehold
60	Giant Booker, Hadleigh Road, Ipswich, IP2 0JD	Freehold
61	Walk Investments, Unit C Gildersome Link Industrial Park, Leeds, LS27 7JQ	Freehold
62	Aspire, Bruntcliffe Way, Leeds , LS27 0JG (and Newday Car Park)	Freehold
63	A Plus International Express Parcels, Plot 40b Optimus Point, Leicester, LE3 8JS	Freehold
64	Royal Mail / Parcel Force, 1 Elland Road, Leicester, LE3 1TU	Freehold
65	XPO Site A, Hope Carr Lane, Leigh, WN7 3XJ	Freehold
66	OTC Direct, Leigh Commerce Park, Leigh, WN7 3XJ	Leasehold
67	XPO Site B, Greenfold Way, Leigh, WN7 3XJ	Freehold
68	DX Network Services, Marley Industrial Estate, Cherrycourt Way, Leighton Buzzard, LU7 4UH	Freehold
69	Eurocell & Toolstation, Units 20 & 21 Woodside Industrial Park, Letchworth Garden City, SG6 1LA	Leasehold
70	Wickes, Outer Circle Road, Lincoln, LN2 4HU	Freehold
71	Lookers Volkswagen, York Road, London, SW11 3RD	Freehold

Asset No.	Property Address	Tenure
72	William Kirk, Units 7, 10A & 10 Adlington Industrial Estate, Macclesfield, SK10 4NL	Freehold
73	XPO, Legbrannock Road, Motherwell, ML1 5SZ	Freehold
74	Diebold Nixdorf, Unit 23 & 24 Parkhouse Industrial Estate, Newcastle-under-Lyme, ST5 7EF	Freehold
75	McKinleys Group, Denmark House, Newmarket, CB8 7AU	Freehold
76	DX Network Services, Azalea Road, Rogerstone, Newport, NP10 9SA	Freehold
77	XPO, Pontefract Road, Normanton, WF6 1RW	Freehold
78	Unipart, Foxbridge Way, Normanton, WF6 1TL	Freehold
79	Panther Warehousing, Sandfield Close, Northampton, NN3 6AB	Freehold
80	Transglobal / Eclipse, LF50, Lodge Farm Industrial Estate, Northampton, NN5 7SL	Freehold
81	DX Network Services, Caswell Road, Brackmills Industrial Estate, Northampton, NN4 7PW	Freehold
82	Lubriage (Mannol) Unit 1 Ravens Way, Crow Lane Industrial Estate, Northampton, NN3 9UD	Freehold
83	Ingram Micro, Communications House, Norwich, NR6 6AQ	Freehold
84	DHL eCommerce, 1A Alston Road, Norwich, NR6 5DS	Freehold
85	Hunt's Food Group, Unit 10 Blenheim Park Road, Nottingham, NG6 8YP	Freehold
86	ZF Services, Abbeyfield Road, Nottingham, NG7 2SX	Freehold
87	Units 18,24,43 & 81 Blenheim Park, Nottingham, NG6 8YP	Leasehold
88	Burdens (Wolseley), Beechdale Road, Nottingham, NG8 3BL	Freehold
89	DX Network Services, Gresham Road, Nuneaton, CV10 7QR	Freehold
90	Mayfield Press, Ashville Way, Oxford, OX4 6TU	Freehold
91	Wincanton, 21A Burnbrae Drive, Paisley, PA3 3BW	Freehold
92	Shift Group (Tuffnells), Ruthvenfield Rd, Perth, PH1 3EE	Leasehold
93	2Excel Logistics, 1 Sabre Way, Peterborough, PE1 5EJ	Freehold

Asset No.	Property Address	Tenure
94	SAICA Pack (Boxway Packaging) 4 Burdon Drive, Peterlee, SR8 2JH	Freehold
95	Giant Booker, Burrington Way, Plymouth, PL5 3NY	Freehold
96	Creative Structures Group, Creative House, Station Road, Theale, RG7 4PD	Freehold
97	Meritor Aftermarket, 1 Broad Ground Road, Redditch, B98 8YP	Freehold
98	Carpet & Flooring, Unit 3 Arrow Valley, Redditch, B98 0FY	Freehold
99	Nidd Transport, Unit 4, Barker Business Park, Ripon, HG4 5NB	Freehold
100	Unit G1-G4, Kingsway Business Park, Rochdale, OL16 4GR	Freehold
101	Rotherham 125, Rotherham, S66 8EL	Leasehold
102	Aalberts Integrated Piping Systems, Unit 10, Brookfields Way, Rotherham, S63 5DL	Freehold
103	David Hathaway Transport, Unit 8 Interface Business Park, Royal Wootton Bassett, SN4 8SY	Freehold
104	Aquapak Polymers, Plot 103 Hollymoor Point, Rubery, B31 5HE	Freehold
105	H & K Distribution, Unit G Swift Park, Rugby, CV21 1DZ Volvo, Unit E Swift Park, Rugby, CV21 1DZ	Freehold
106	Unipart, Lister Road, Runcorn, WA7 1SW	Freehold
107	58 Newhall Road, Sheffield, S9 2QD	Freehold
108	DX Network Services Europa Close, Sheffield, S9 1XS	Freehold
109	Driven Personnel, Downgate Drive, Sheffield, S4 8BT	Freehold
110	Sign Trade Supplies, Unit D5 Bonham Drive, Sittingbourne, ME10 3RN	Freehold
111	Delice De France, 149 Brent Road, Southall, UB2 5LJ	Freehold
112	Delamode, Tollbar Way, Hedge End, Southampton, SO30 2UH	Freehold
113	Perfect Group, Plot A, Tungsten Park, Southwater, RH13 9RT	Freehold

Asset No.	Property Address	Tenure
114	DX Network Services, Unit P Yewtree Trading Estate, Haydock, St Helens, WA11 9UX	Freehold
115	Units 1A. 1B, 2 & 3, Opal Way, Stone, ST15 0SS	Freehold
116	Wrekin Sheet Metal, Stafford Park 18, Telford, TF3 3BN	Freehold
117	A.J. Maiden and Son, Unit 6, Deer Park Court, Telford, TF2 7NA	Freehold
118	Equinox Maintenance, Unit 10, Tewkesbury Business Park, Tewkesbury, GL20 8ND	Freehold
119	DHL eCommerce, Express House, Aylesford Way, Thatcham, RG19 4ND	Freehold
120	Offsite Archive Storage and Integrated Services, Craigard One, Aylesford Way, Thatcham, RG19 4ND	Freehold
121	The Range, Winwick Road, Warrington, WA2 7NY	Freehold
122	Mark Thompson Transport, Unit 10, Stretton Distribution Centre, Warrington, WA4 4QT	Freehold
123	Print Data Solutions, Unit 6 Sinclair Drive, Wellingborough, NN8 6TZ	Freehold
124	Chemviron Carbon, Edgar House, Lockett Road, South Lancashire Industrial Estate, Wigan, WN4 8DE	Freehold
125	Ceva Logistics, Lakeside Industrial Estate, Witney, OX29 5UT	Freehold
126	Booker Cash and Carry, Thames Road, Crayford, Dartford, DA1 4QN	Freehold
127	Ibstock Brick Limited, Hilton Cross Business Park, Wolverhampton, WV10 7QZ	Freehold
128	Trax Park, White Rose Way, Doncaster	Freehold
129	Caterpillar, Units 1 & 2 Pease Road, North West Industrial Estate, Peterlee	Freehold
130	Centrus Industrial Park, Amerson Way, Dunstable, LU5 5BN	Freehold
131	Unit C Manston Lane, Leeds, LS15 8AH	Freehold
132	Stretton Way, Huyon, Liverpool, L36 1LA	Freehold

**Reliance:**

We agree to address our report as follows.

For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure this is the case), the information contained in the Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. The Valuation Report complies with the Code and we authorise its content for the purposes of Rule 29 of the Code.

Our Valuation Report is addressed jointly to the Addressees for the Purpose and is for the use of and may be relied upon by the Addressees of the Valuation Report and the shareholders of the Company and Bidco strictly for the Purpose set out therein. Save in respect of such Addressees and shareholders and as provided for in the Code (together the **"Relying Parties"**), third parties may not rely on it.

Our Valuation Report may only be relied upon for the Purpose. No reliance may be placed on draft versions of the Valuation Report.

We are not acting as valuers of the Company itself; the valuation function for the Company and the setting of the Net Asset Value of the Company remains with the Company. Our role is limited to providing valuations of the Properties in accordance with the RICS Red Book and the terms set out in our report.

The Valuation Report will be produced for the Purpose and may not be reproduced or used in connection with any other purpose without our prior consent.

The Valuation Report is for the use of the Addressees and the shareholders of the Company and Bidco for the Purpose and, to the fullest extent permitted by law and the Code, we do not assume any responsibility and will not accept any liability to any person other than a Relying Party for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report.

If we extend our liability beyond the Relying Parties, we would charge an additional fee and this extension would be on the basis that all other parties will be subject to the full terms of our instructions including our liability cap in aggregate.

Save in respect of our liability for death or personal injury caused by our negligence, or the negligence of our employees, agents or subcontractors or for fraud or fraudulent misrepresentation (which is not excluded or limited in any way):

- a) we shall under no circumstances whatsoever be liable for any indirect or consequential loss arising out of or in connection with the Valuation Report; and
- b) our total liability in respect of all losses arising out of or in connection with this report, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed the monetary amount agreed between us and the Addressees, as set out in the Instruction. This amount shall be an aggregate cap on our liability to all Addressees together.

In no circumstances will we have any responsibility or liability in connection with any investment decision made prior to our Valuation Report.

Important Notice to all readers of the Valuation Report: unless you are the Client or an Addressee named within the Valuation Report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on the Valuation Report, Jones Lang LaSalle does not owe or assume any duty of care to you in respect of the contents of the Valuation Report and you are not entitled to rely upon it.

**Tenure:**

As set out in the Property Address table above

**Valuation Date:**

31 March 2025

**Instruction Date:**

16 May 2025

**Basis of Valuation:**

As required by the Code, we confirm that our valuation and report has been prepared in accordance with the current RICS Valuation – Global Standards, incorporating the IVS, and the UK national supplement (the RICS Red Book) on the basis of Market Value as defined in Appendix 3. We have acted as external valuers.

*Market Value: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*

The report is subject to, and should be read in conjunction with, our General Terms and Conditions of Business which are attached in Appendix 1 and our General Principles Adopted in the Preparation of Valuations and Reports which are attached in Appendix 2.

No allowance has been made for any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges which may be secured thereon.

We have assumed that in the event of a sale of the properties, they would be marketed in an orderly manner and would not all be placed on the market at the same time.

**Assumptions: Special Assumptions**

None.

**Software:**

The valuation has been undertaken using Argus Enterprise version 13.

**Inspection:**

All assets have been inspected during the last 12 months.

**Personnel:**

The valuations have been prepared under the direction of Stuart Smith MRICS. In addition, the valuations have been approved by Richard Booth MRICS and Jordan Kenefick MRICS.

We confirm that the personnel responsible for this valuation are in a position to provide an objective and unbiased valuation and are competent to undertake the valuation assignment in accordance with the current UK national supplement and are RICS Registered Valuers.

**Status:**

In preparing these valuations we have acted as external valuers (as defined in the RICS Valuation – Global Standards), subject to any disclosures made to you.

**Disclosure:**

We confirm our ongoing appointment to carry out annual valuations of the Properties. We do not consider this, in our professional opinion, to be a threat to our objectivity and ability to act with independence.

The Company has confirmed in writing that this Instruction has been made with the approval of a non-executive director, an independent chair of your audit committee or equivalent or a corporate compliance officer or equivalent.

We confirm that neither the individual valuers, nor JLL, have any material connection to any party in the Proposed Transaction nor any personal interest in the Company, the Addressees or the Properties, other than our appointment by the Client to carry out bi-annual valuations, which would cause us or them to cease to qualify as an 'Independent Valuer' for the purpose of Rule 29.3(a) of the Code. We undertake in favour of the Company that we shall not take any actions which would cause us or the relevant valuers to cease to qualify as an 'Independent Valuer' for the purposes of Rule 29.3(a) of the Code for the duration of the Instruction.

In our firm's preceding financial year the proportion of total fees payable by the Client commissioning this valuation was less than 5% of the firm's total fee income.

It is not anticipated there will be a material increase in the proportion of fees payable to the firm by the Client commissioning this valuation report since the end of the last financial year or in the next financial year.

Stuart Smith MRICS has been a signatory for this valuation instruction since September 2024. At present he remains the signatory to this report.

We have an adequate policy in place regarding rotation of signatories and we do not consider that a rotation of signatories is currently required.

For the purposes of Rule 29.5 of the Code, we confirm that there is no material difference between the values stated in this Valuation Report and the values that would be stated were the Valuation Date the date of the Scheme Document.

**Sources of Information:**

We have inspected the premises and carried out all the necessary enquiries with regard to rental and investment value, Rateable Value, planning issues and investment considerations. We have not carried out a building survey or environmental risk assessment. We have not measured the premises and have relied on the floor areas provided.

You have told us that you have not commissioned solicitor's Reports on Title/ Certificates of Title or analogous documents or opinions. This report is therefore prepared on the assumption that the Client has good and marketable title to the Properties and there are no matters which would ordinarily be reported or referenced in a Report on Title/ Certificate of Title which may have an impact on the valuations contained herein.

We have been provided with the following, which we have relied upon:

- Up to date tenancy schedule as at 31 March 2025
- Asset management updates relating to ongoing activity at any of the properties.

We may have used artificial intelligence, including generative artificial intelligence, when providing the services.

**Market Value:**

£1,157,000,000  
(ONE BILLION ONE HUNDRED AND FIFTY SEVEN MILLION POUNDS)

Aggregate value of the individual leasehold and freehold properties

While it should be noted that the guidance set out in the RICS Red Book envisages the assets being valued and sold individually over a reasonable period depending on market circumstances at the time, the valuation of the portfolio as a whole may produce a greater or lesser figure than the aggregate value of the individual properties.

As required by the Code we set out below the aggregate value of the individual properties that are leaseholds, and freeholds:

Tenure	Market Value
Leasehold	£69,730,000
Freehold	£1,087,270,000
<b>Total</b>	<b>£1,157,000,000</b>

**Purchaser's Costs:**

We have allowed for Stamp Duty Land Tax as follows: Market Value of up to £150,000, zero; next £100,000 (the portion from £150,001 to £250,000), 2.00%; remaining amount (the portion above £250,001), 5.00%.

We have also allowed for agents and legal fees plus VAT at standard market rates which amounts to 1.80%.

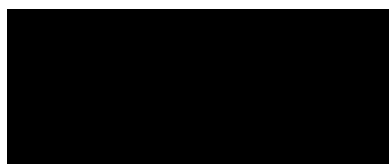
**Confidentiality  
and Publication:**

The Valuation Report will be addressed to the Addressees for the Purpose. No responsibility whatsoever will be accepted to any third party (other than the Relying Parties) and, subject to the terms of the Instruction, neither the whole of the report, nor any part nor any references thereto can be published in any document, statement or circular nor in any communication with third parties without our prior written approval (which shall be at our sole discretion, subject to the terms of the Instruction) and our approval of the form and context in which it will appear.

We have provided a consent letter in accordance with Rule 23.2 of the Code, which provides (i) that we have given and not withdrawn our prior written consent to the publication of this Valuation Report in the Scheme Document; (ii) that we consent to the form and context in which the Valuation Report appears in the Scheme Document, and (iii) that for the purposes of Rule 29.5 of the Code, we confirm that there is no material difference between the values stated in the Valuation Report and the values that would be stated were the Valuation Date the date of the Scheme Document.

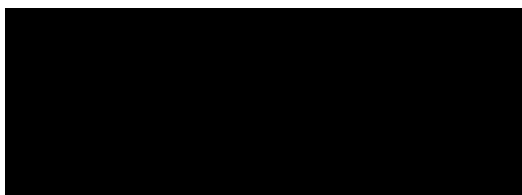
Subject to the terms of the Instruction, neither the whole of this Valuation Report nor any part, nor reference thereto may be published in documents other than the Scheme Document and/or any other announcements, documents and or supplementary documents released by the Company or Bidco in relation to the Proposed Transaction without our prior written approval of the form and context in which it will appear. Our approval is not required if disclosure is (i) made on a non-reliance basis by an Addressee to its group companies, officers, employees, agents, insurers, auditors, bankers and/or professional advisers of its group companies in connection with the Proposed Transaction, (ii) compelled by applicable law, regulation or the rules of any stock exchange, a court of competent jurisdiction or other competent judicial or governmental body, (iii) for the Purpose. We acknowledge that this Valuation Report will be made available for inspection and published on the website by the Company and Bidco in accordance with the Code.

If at any stage it is intended to include the valuation or report, or any reference thereto, in any prospectus, circular to shareholders or similar public document which does not constitute the Scheme Document and/or any other announcements, documents and or supplementary documents released by the Company or Bidco in relation to the Proposed Transaction, our specific consent will be required. It would only be given following clarification of any additional liability. We may also, if appropriate, require the report to be revised to incorporate an adequate description of the terms of our engagement.



**Value & Risk Advisory**

**For and on behalf of Jones Lang LaSalle Limited**



**For and on behalf of Jones Lang LaSalle Limited**

Yours sincerely



**Value & Risk Advisory**

**For and on behalf of Jones Lang LaSalle Limited**

# **Appendix 1**

## General Terms and Conditions

# General Terms and Conditions of Business for Valuations: England and Wales

## 1. AGREEMENT

1.1. These Terms together with any Engagement (see below for the defined term) set out the terms on which JLL will provide the Services to the Client. Each of the provisions provided in the Agreement are severable and distinct from the others.

1.2. The Engagement shall prevail to the extent of any conflict between the Terms, and the Engagement. The Agreement supersedes any previous arrangement concerning its subject matter. Unless the Parties agree otherwise, these Terms shall apply to any future instructions from the Client, although such instructions may be subject to a separate Engagement.

## 2. INTERPRETATION

The following definitions and rules of interpretation apply in these Terms:

### 2.1. Definitions

**“Affiliates”** includes in relation to either Party each and any subsidiary or holding company of that Party and each and any subsidiary of a holding company of that Party and any business entity from time to time controlling, controlled by, or under common control with, that Party, and **“holding company”** means a holding company as defined in section 1159 of the Companies Act 2006 or a parent undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006, and **“subsidiary”** means a subsidiary as defined in section 1159 of the Companies Act 2006 or a subsidiary undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006;

**“Agreement”** means any Engagement and these Terms together;

**“Client”** means the Party who enters into the Agreement with JLL;

**“Data Protection Legislation”** shall mean GDPR, Data Protection Act 2018. and any national laws, regulations and secondary legislation implementing or supplementing GDPR in force in the United Kingdom from time to time;

**“Engagement”** means the agreement, letter of engagement or engagement agreement or email and any schedules/appendices sent to the Client by JLL (or agreed in writing) which sets out details of the Services to be provided to the Client pursuant to the Agreement;

**“GDPR”** means the General Data Protection Regulation ((EU) 2016/679) retained as law in the United Kingdom by s.3 of the European Union (Withdrawal) Act 2018 and in this Agreement: “controller”, “processor”, “data subject”, “personal data”,

“personal data breach”, “supervisory authority”, and “processing” shall have the meaning set out in the GDPR, and references to “personal data” shall in addition mean personal data related to the Agreement.

**“Insolvent”** means in relation to:

- (a) a company (including any body corporate), that it:
  - (i) is unable to pay its debts as they fall due;
  - (ii) becomes or is deemed insolvent;
  - (iii) has a notice of intention to appoint an administrator filed at Court in respect of it, has an administrator appointed over, or has an administration order in relation to it, or has appointed a receiver or an administrative receiver over, or an encumbrancer takes possession of or sells the whole or part of its undertaking, assets, rights or revenue;
  - (iv) passes a resolution for its winding up or a court of competent jurisdiction makes an order for it to be wound up or dissolved or it is otherwise dissolved (other than a voluntary winding up solely for the purpose of a solvent amalgamation or reconstruction); or
  - (v) enters into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them or takes steps to obtain a moratorium or making an application to a court of competent jurisdiction for protection of its creditors;
- (b) a partnership, that it is dissolved by reason of the bankruptcy of one or more of its partners;
- (c) an individual, that they are bankrupt; or
- (d) a Party based outside England and Wales, that it is considered insolvent by the laws applicable to that Party;

**“JLL”** means Jones Lang LaSalle Limited of 30 Warwick Street London W1B 5NH registered in England and Wales with company number 01188567 and/or any Affiliate of JLL that provides the Services to the Client;

**“Materials”** means all materials, equipment, documents and other property of JLL made available to the Client by JLL in carrying out the Services;

**“Party”** means either the Client or JLL (as the context requires) and **“Parties”** shall mean both of them;

**“Services”** means the Services set out in the Engagement or as otherwise agreed in writing between the Parties;

**“Terms”** means these terms and conditions.

2.2. Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

2.3. A reference to a statute or statutory provision is a reference to it as it is in force as at the date of the Agreement and shall include all subordinate legislation made as at the date of the Agreement under that statute or statutory provision.

2.4. A reference to writing or written unless otherwise specified herein includes email.

2.5. Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6. Headings are for convenience only and do not affect the interpretation of this Agreement.

### **3. SERVICES**

3.1. JLL shall provide the Services using reasonable care and skill.

3.2. JLL has no obligation to provide any services other than the Services and has no obligation to provide nor any liability for:

- a) an opinion on the price of a property (unless specifically agreed in writing);
- b) any advice regarding the condition of a property (unless specifically agreed in writing);
- c) the security or management of a property unless specifically instructed to arrange it;
- d) the safety of any third party entering any premises; or
- e) the management or payment of any third party suppliers.

3.3. Where the Parties have agreed that JLL shall carry out estate agency business, JLL shall (i) report in writing all offers it receives regarding the relevant property; and (ii) comply with its obligations under the Estate Agents Act 1979 and regulations made under that Act together with any other similar laws and regulations.

3.4. Where agreed in writing JLL shall use reasonable endeavours to meet any performance dates. JLL shall not be responsible for any failure to meet performance dates due to causes outside its reasonable control and time shall not be of the essence for the performance of the Services.

3.5. JLL shall have the right to make any changes to the Services which are necessary to comply with any applicable law, regulation, safety or public health requirement, or any applicable government guidance which do not materially affect the nature or quality of the Services and JLL shall notify the Client in any such event.

3.6. Without prejudice to clause 9.2(b), JLL will take all appropriate steps to identify, prevent or manage a conflict of interest that may arise in the course of business. In the event that an actual or potential conflict of interest is identified, JLL will recommend a course of action.

3.7. JLL may use electronic systems and networks to provide the Services.

3.8. JLL may use artificial intelligence, including generative artificial intelligence, when providing the Services.

### **4. CLIENT OBLIGATIONS**

4.1. The Client shall:

- a) immediately notify JLL if any details or requirements set out in the Engagement are incomplete or inaccurate;
- b) co-operate with JLL in all matters relating to the Services;
- c) provide JLL, its employees, agents, consultants and subcontractors, with access to the relevant property as reasonably required by JLL to provide the Services;
- d) obtain and maintain all necessary licences, permissions and consents which may be required by the Client before the date on which the Services are to start; and
- e) maintain a high standard of professional conduct at all times, including respecting the rights and dignity of all individuals, maintaining confidentiality when required, and adhering to all applicable laws, regulations, and professional standards.

4.2. The Client shall promptly provide JLL with such information and materials as it may reasonably require in order to supply the Services and warrants that:

- a) such information is complete and accurate and was obtained and prepared in accordance with all applicable laws;
- b) it shall ensure that where the information and material include representations or descriptions of a property, that such information and material contain no misrepresentation or false impression;
- c) where the Client will advertise a property under JLL's logo, that such advertisement (including its content and context in which it will appear) is approved in writing by JLL prior to its publication; and
- d) it shall immediately notify JLL on becoming aware of any changes or issues that may render inaccurate any information or material provided to JLL.

4.3. In the event of any act or omission by the Client in breach of the Agreement or failure by the Client to perform any relevant obligation (Client Default):

- a) JLL shall without limiting its other rights or remedies have the right to suspend performance of the Services until the Client remedies the Client Default, and to rely on the Client to relieve JLL from the performance of any of its obligations to the extent the Client Default prevents or delays JLL's performance of any of its obligations; and
- b) JLL shall not be liable for any costs or losses sustained or incurred by the Client arising directly or indirectly from the Client Default.

4.4. The Client is responsible for effecting and maintaining adequate property and public liability insurance in relation to its activities and any relevant properties owned or occupied by it and shall be responsible for the safety of any person entering the relevant properties.

4.5. Where the Client constitutes more than one legal person, the liability and obligations of such persons shall be joint and several.

## 5. PAYMENTS

5.1. Whenever possible, the fees and expenses (if known) for the Services shall be as set out in the Engagement. Where fees and expenses for the Services are not specified in writing, JLL shall be entitled to the fee specified by the applicable professional body chosen by JLL (acting in a reasonably commercial manner) or, if none is specified, a fair and reasonable fee by reference to time spent delivering the Services; and reimbursement of any expenses properly incurred by JLL on the Client's behalf.

5.2. All amounts payable by the Client under the Agreement are exclusive of value added tax (VAT) or similar taxes which the Client shall pay at the applicable rate.

5.3. In consideration of the provision of the Services, the Client shall pay each invoice submitted by JLL in accordance with the Agreement within 28 days from the date of invoice.

5.4. If the Client fails to settle any payment due to JLL under the Agreement by the due date for payment, then JLL reserves the right to charge late payment interest after the due date on the overdue amount at the legal rate of interest in accordance with the Governing Law. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Client shall pay the interest together with the overdue amount.

5.5. If the Agreement is terminated prior to the Services being completed, JLL shall, without limitation to its other rights and remedies under this Agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination.

## 6. INTELLECTUAL PROPERTY RIGHTS

6.1. JLL retains all copyright (and all other intellectual property rights) in all materials, reports, systems and other deliverables which it produces or develops for the purposes of this Agreement, or which it uses in the provision of the Services. . For this purpose **"intellectual property rights"** means patents, utility models, rights to inventions, copyright and related rights, trademarks and service marks, trade names and domain names, trade secrets, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, including all applications for (and rights to apply for and be granted), renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world.

6.2. The Client shall have an irrevocable, royalty-free, non-exclusive licence to use the Materials for the purposes for which they are prepared by JLL, subject to JLL having received full payment for the Services in accordance with the Agreement. Such licence shall be capable of sub-licence by the Client to its employees, agents and subcontractors and shall survive termination. No third party has any right to use any such Materials without JLL's specific consent. JLL shall not be liable for the use of any Material for any purpose other than that for which JLL provided it to the Client.

6.3 Nothing in this clause 6 shall affect the Client's intellectual property rights that pre-exist the Services. The Client grants to JLL a non-exclusive, non-transferable license to use the data provided to JLL and any intellectual property contained within it for the purpose of anonymising and aggregating such data (such that it cannot be reverse engineered) and using it for its legitimate business purposes.

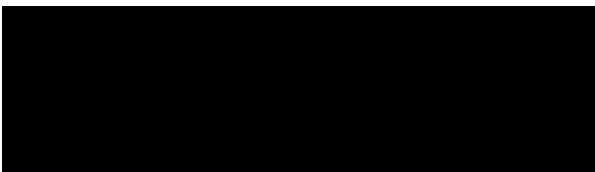
## 7. CONFIDENTIALITY

7.1 Except where disclosure is required by law, each party and that party's Affiliates must maintain the confidentiality of the other party's information and must not disclose any information received in confidence from the other party for a period of three years (or any longer period if so required by law) after termination or expiry of this Agreement.

7.2 Where JLL delivers services to or is approached to deliver services to another party JLL shall not be required to use or disclose to the Client any information known to JLL, which is confidential to another party.

## 8. LIABILITY

8.1. a) JLL shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with the Agreement and/or the Services;

b) 

c) nothing in the Agreement limits any liability which cannot legally be limited, including but not limited to, liability for: death or personal injury caused by negligence; or fraud or fraudulent misrepresentation.

8.2. JLL shall have no liability for the consequences, including delay in or failure to provide the Services:

a) due to any failure by the Client or any representative or agent of the Client to provide information or other material that JLL reasonably requires promptly, or where that information or material provided is inaccurate or incomplete;

b) to the extent that the Client or someone on the Client's behalf for whom JLL is not responsible is responsible,

and where JLL is one of the parties liable in conjunction with others, JLL's liability shall be limited to the share of loss reasonably attributable to JLL on the assumption that all other parties pay the share of loss attributable to them (whether or not they do); or

c) due to any failure by the Client or any representative or agent of the Client to follow JLL's advice or recommendations.

8.3. JLL owes no duty of care and has no liability to anyone but the Client unless specifically agreed in writing by JLL.

## 9. TERMINATION

9.1. Without limiting its other rights or remedies, either Party may terminate the Agreement by giving the other Party three months' written notice.

9.2. Without limiting its other rights or remedies, either Party may terminate the Agreement with immediate effect by giving written notice to the other Party if:

a) the other Party commits a material breach of the Agreement and (if such a breach is remediable) fails to remedy that breach within 14 days of that Party being notified in writing to do so;

b) a conflict of interest arises which prevents JLL continuing to act for the Client; or

c) the other Party becomes Insolvent.

9.3. Without limiting its other rights or remedies, JLL may suspend provision of the Services under the Agreement or any other contract between the Client and JLL if the Client becomes Insolvent, or JLL reasonably believes that the Client is about to become Insolvent, or if the Client fails to pay any amount due under the Agreement on the due date for payment.

9.4. On termination of the Agreement for any reason:

a) the Client shall immediately pay to JLL all of JLL's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted and associated expenses, JLL shall submit an invoice, which shall be payable by the Client immediately on receipt;

b) the Client shall return any Materials which have not been fully paid for;

c) JLL may, to comply with legal, regulatory or professional requirements, keep one copy of all Material

which is what was supplied by or on behalf of the Client in relation to the Services;

- d) the accrued rights, remedies, obligations and liabilities of the Parties as at expiry or termination shall be unaffected, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry; and
- e) clauses which expressly or by implication survive termination shall continue in full force and effect.

9.5. JLL may destroy any hard copy and electronic files it has in its possession after six years from the earlier of completion of the Services or termination of the Agreement.

## 10. DATA PROTECTION

10.1. JLL (including third parties as described in our Privacy Statement available at [www.jll.co.uk](http://www.jll.co.uk)) may process in hard copy and/or in electronic form, personal data regarding the Client, its officers and any other individuals connected with the Client ('Client Contacts'). It may also verify the identity of Client Contacts including carrying out checks with third parties such as financial probity, anti-money laundering or sanctions-checking agencies. To facilitate compliance with money laundering regulations and avoid duplication of due diligence, the Client acknowledges that JLL may share Client contacts' personal data with such third party agencies and JLL Affiliates.

10.2 Unless the Agreement and factual arrangements dictate otherwise, as between the Parties for the purposes of the Agreement, the Client is deemed to be the controller and JLL is deemed to be the processor. The Client will ensure that any transfer of personal data to JLL (and any sub-processors under clause 10.11) complies with the Data Protection Legislation. In providing the Services, JLL in its role as processor shall comply with the Data Protection Legislation as it relates to data processors. Nothing within the Agreement relieves either Party of its own direct responsibilities and liabilities under the Data Protection Legislation.

10.3 JLL shall not process personal data other than in relation to the documented instructions of the Client, unless it is required to process the personal data by any law to which it is subject. In such a case JLL shall inform the Client of that legal requirement before complying with it, unless that law prohibits JLL from doing so.

10.4 JLL shall ensure that it and any third party with access to the personal data has appropriate technical and organisational security measures in place, to guard against the unauthorised or unlawful processing of personal data and against the accidental

or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, the personal data. Upon a written request, JLL shall provide to the Client a general description of the security measures it has adopted.

10.5 JLL shall take reasonable steps to ensure any person that has access to personal data is made aware of their responsibilities, and subject to enforceable duties of confidentiality.

10.6 JLL shall notify the Client without undue delay if it:

10.6.1 receives a request for access from an individual, or a request relating to any of the other individuals' rights available under the Data Protection Legislation, in respect of personal data;

10.6.2 receives any enquiry or complaint from a data subject, supervisory authority or third party regarding the processing of the personal data; and

10.6.3 becomes aware of a personal data breach affecting personal data, unless the breach is unlikely to result in a risk to the rights and freedoms of data subjects.

10.7 JLL shall assist and provide all information reasonably requested in writing by the Client in relation to data protection impact assessments or 'prior consultation' with supervisory authorities or matters under clause 10.6.

10.8 JLL shall maintain all the records and information necessary to demonstrate its compliance with the requirements set out in this clause 10.

10.9 JLL shall allow the Client (or its appointed auditor) to audit JLL's compliance with this clause 10. The Client agrees to give reasonable notice of any audit, to undertake any audit during normal business hours, to take steps to minimise disruption to JLL's business, and not exercise this right of audit more than once every year unless instructed otherwise by a supervisory authority.

10.10 JLL shall, upon receipt of a written request, from the Client delete or return all personal data at the end of the provision of the Services. JLL may retain copies of the personal data in accordance with any legal or regulatory requirements, or any guidance that has been issued in relation to deletion or retention by a supervisory authority.

10.11 JLL shall only engage a sub-processor where:

10.11.1 the Client has agreed in writing to the engagement of the sub-processor; or

10.11.2 the sub-processor is an Affiliate of JLL or a service provider engaged by JLL to support the infrastructure and

administration of its business (with details maintained at <http://www.jll.co.uk/sub-processors>).

10.12 JLL shall ensure that any arrangements between JLL and a sub-processor are governed by a written contract including terms which offer at least the same level of protection for personal data as those set out in this clause. Where JLL intends to engage a new sub-processor under 10.11.2 and the Client objects, then the Client may choose to terminate the Services in accordance with clause 9.

10.13 In accordance with clause 12.1, JLL shall remain liable for the acts and omissions of its sub-processors.

10.14 JLL shall only transfer personal data outside the UK and European Economic Area where it has ensured the transfer complies with the Data Protection Legislation.

## 11. FORCE MAJEURE

11.1. Neither Party shall be liable to the other Party as a result of any delay or failure to perform its obligations under the Agreement as a result of any event beyond the reasonable control of either Party including strikes, lock-outs or other industrial disputes (whether involving the workforce of JLL or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, an international, national or regional emergency has been declared, a period of quarantine recommended or imposed by any applicable government, epidemic, pandemic, public health emergency, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

11.2. If such an event prevents either Party from performing any of their obligations under the Agreement for a period of more than four weeks, the affected Party shall, without limiting their other rights or remedies, have the right to terminate the Agreement immediately by giving written notice to the Party.

11.3. This clause does not apply to the payment of fees or expenses due to JLL by the Client.

## 12. GENERAL

12.1. **Subcontracting.** JLL may subcontract or deal in any other manner with all or any of its rights or obligations under the Agreement to any third party or agent provided that:

- (i) where JLL subcontracts or delegates its obligations at the specific request of the Client, JLL shall have no liability for the acts or omissions of the third party or agent; and

- (ii) otherwise, JLL shall remain liable for the acts or omissions of the third party or agent, unless the Client agrees to rely only on the third party or agent, such agreement not to be unreasonably withheld.

12.2. **Notices.** a) Any notice or other communication, including the service of any proceedings or other documents in any legal action given to a Party under or in connection with the Agreement shall be in writing, addressed to that Party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that Party may have specified to the other Party in writing in accordance with this clause, and shall be delivered personally or sent by pre-paid first class post or commercial courier. Any notice or other communication sent to a Party located in a different country to the sending Party must be sent by commercial courier;

- b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 12.2.a); if sent by pre-paid first class post at 9.00 am on the second business day after posting; or if sent by commercial courier, on the date and at the time that the courier's delivery receipt is signed. For this purpose, a business day means a day (other than a Saturday or Sunday) on which banks are open for business in the Jurisdiction.

12.3. **Severance.** a) If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement;

- b) If any provision or part-provision of the Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

12.4. **Waiver.** A waiver of any right under the Agreement or law is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a Party in exercising any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict its further exercise

of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

12.5. **No Partnership or Agency.** Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.

12.6. **Third parties.** Subject to clause 12.8, a person who is not a Party to the Agreement shall not have any rights to enforce the Agreement unless specifically agreed in writing.

12.7. **Variation.** Except as set out in these Terms, no variation of the Agreement, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by both Parties. Unless otherwise expressly agreed, variation of these Terms does not require the consent of any third party (whether any employee referred to in clause 12.8 or otherwise).

12.8. **Protection of Employees.** Save in respect of fraud or criminal conduct no employee of JLL or any Affiliate has any personal liability to the Client nor to anyone representing the Client. Neither the Client nor anyone representing the Client may make a claim or bring proceedings against an employee or former employee personally. Any such employee of JLL is entitled to enforce this provision pursuant to the Contracts (Rights of Third Parties) Act 1999.

12.9. **Directors.** Some employees of JLL have the title of “director”. The Client acknowledges that this does not mean they hold the office of director for the purposes of the Companies Act 2006. Rather, it means that they hold a senior role as an employee of JLL.

12.10. **Complaints.** JLL’s complaints procedure is available on request.

12.11. **Publicity.** Neither Party may publicise or issue any specific information to the media about the Services or the Agreement’s subject matter without the consent of the other.

12.12. **Criminal Activity.** To comply with the law and professional rules on suspected criminal activity JLL is required to verify the identity of its clients and understand their business. Upon request, the Client will promptly provide to JLL evidence of the Client’s identity, management or ownership. Where JLL is required by law to obtain similar evidence for another party to a transaction, the Client will provide all reasonable assistance to obtain such evidence. JLL may also need to provide such evidence to another party’s agents and the Client consents to the

release of such information. If a Party fails to provide such evidence the transaction and Services may not be able to proceed. JLL is required by law to report to the appropriate authorities any knowledge or suspicion of money laundering or terrorist financing. JLL may be unable to inform the Client of any disclosure and may have to stop the Services for a period of time without explanation.

12.13. **Anti-bribery and corruption.** Both parties shall comply with all applicable laws, statutes, regulations, relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.

12.14. **RICS.** JLL is regulated by RICS for the provision of surveying services and agrees to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at [www.rics.org](http://www.rics.org). JLL has committed to cooperate with RICS to ensure compliance with its standards and has appointed Simon Peacock as its Responsible Principal: [complianceukandi@jll.com](mailto:complianceukandi@jll.com)

12.16. **Governing Law.** The Agreement and any disputes arising from it (including non-contractual claims and disputes) are governed by English Law.

12.17. **Jurisdiction.** Each Party irrevocably agrees that the English courts shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

12.17. **Language.** These Terms are provided in English and JLL will communicate with the Client in English.

12.18. **Survival.** Clauses 5 to 10 shall survive termination of the Agreement.

# **Appendix 2**

## General Principles

# General Principles: United Kingdom

## Adopted in the preparation of Valuations and Reports

These General Principles should be read in conjunction with JLL's General Terms and Conditions of Business except insofar as this may conflict with other contractual arrangements.

Unless the Letter of Engagement states otherwise, we will follow:

### 1. COMPLIANCE WITH REGULATIONS AND VALUATION STANDARDS:

#### a) RICS Valuation - Global Standards

The current edition of the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors (RICS) and incorporating the International Valuation Standards (together the RICS Red Book). Valuations are undertaken by RICS Registered Valuers who have sufficient current knowledge of the particular market and sufficiently developed skills and understanding to undertake the valuation competently and are in a position to provide objective and unbiased valuation advice.

#### b) International Valuation Standards (IVS)

The standards of the International Valuation Standards Council (IVSC), which are aligned with the definition and interpretation of the Market Value as defined by the RICS and consistent with the concept of Fair Value as defined in the International Financial Reporting Standards.

#### c) Local Regulation / Standard

Local Regulations / standards, further details of which are set out in the Letter of Engagement under the heading Regulatory Compliance.

### 2. VALUATION BASIS:

Our engagement letters and reports state the purpose of the valuation and unless otherwise noted, the basis of valuation is defined by the relevant valuation standards. The definition of the basis which we adopt is set out in the Letter of Engagement and in our report.

### 3. ASSUMPTIONS AND SPECIAL ASSUMPTIONS:

Where we make an 'assumption' or 'special assumption' in arriving at our valuations, we adopt these terms as specified in the RICS Red Book as follows:

**Assumption:** A supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process.

**Special Assumption:** A special assumption is made by the valuer where an assumption either assumes facts that differ from those existing at the valuation date or that would not be made by a typical market participant in a transaction on that valuation date. Special assumptions may only be made if they can reasonably be regarded as realistic, relevant and valid for the particular circumstances of the valuation.

### 4. DISPOSAL COSTS TAXATION AND OTHER LIABILITIES:

No allowances are made for any expenses of realisation, or for taxation which might arise in the event of a disposal. All property is considered to be free and clear of all mortgages or other charges which may be secured thereon.

Purchaser's costs are recognised in accordance with local market conventions.

No allowances are made for any potential impact of pending legislation.

Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

### 5. SOURCES OF INFORMATION:

All information provided by you, your agents or other representatives is assumed to be accurate, complete, up to date, and reliable, and that no material information affecting our valuations has been withheld. We do not accept any liability for either the accuracy or the completeness of this information. We are neither obliged to confirm the completeness and correctness of the information provided nor to examine any original documentation for the same purpose.

In respect of valuations for loan security purposes, commissioned by a lending institution, we may also rely on information provided to us by the Borrower or its advisors. In such cases, we assume that all information is correct, complete, up-to-date and can be relied upon and that no pertinent information is withheld.

Where there are limitations on the information which is available, the valuation is provided on a restricted basis. Consequently, whilst we undertake our due diligence carefully and professionally, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case.

6. DOCUMENTATION/ TITLE AND TENANCY INFORMATION:

We do not normally read leases or documents on title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoing of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we are provided with documentation, reliance should not be placed on our interpretation without verification by your lawyers. We assume that all information provided by the client, or its agents, is correct, up to date and can be relied upon.

7. TENANTS:

Although we reflect our general understanding of a tenant's status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. It is assumed that, unless we are informed otherwise, where properties are valued with the benefit of lettings the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

8. MEASUREMENTS/FLOOR AREAS:

We will generally rely on floor areas provided to us, which we assume have been properly measured in accordance with either:

- a) the International Property Measurement Standards (IPMS), or
- b) the Code of Measuring Practice (6th Edition) issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source, or
- c) local practice/standards

Where we measure floor areas, the areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor shared with or used by other parties without our written authorisation.

9. SITE AREAS:

Site areas are generally calculated using proprietary digital mapping software and are based on the site boundaries indicated to us either at the time of our inspection, or on plans supplied to us. No responsibility is accepted if the wrong boundaries are indicated to us.

10. MARKET RENTS:

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of capital value and generally on the basis of Market Rent, as defined in the current International Valuation Standards. Where circumstances dictate that it is necessary to utilise a different rental value in our capital valuation, we will set out the reasons for this in our report. Market Rent does not necessarily represent the amount that might be agreed by negotiation, or determined by an Expert, Arbitrator or Court, at rent review or lease renewal or the figure that might be obtained if the property or unit were being let on the open market.

11. TOWN / LOCAL PLANNING, ACTS OF PARLIAMENT AND OTHER STATUTORY REGULATIONS:

Wherever possible, information on planning is obtained either verbally from local planning authority officers or publicly available electronic or other sources. Information obtained is purely to assist us in forming an opinion of capital value and should not be relied upon for other purposes. If reliance is required, we recommend that verification be obtained from lawyers that:

- I. the position is correctly stated in our report,
- II. the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities, and
- III. that there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and European Commission regulations, including enactments relating to fire regulations and relevant jurisdictional information provided.

#### 12. STRUCTURAL SURVEYS:

We do not carry out a structural survey, nor do we test the services and therefore, do not give any assurance that any property is free from defect. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects. Unless stated otherwise in our reports we assume any tenants are fully responsible for the repair of their demise either directly or through a service charge.

If our valuation includes a property or a part of a property that has not been completed at the date of inspection, we assume that this property or part of a property has been or will be completed free from structural and technical deficiencies.

#### 13. MODERN METHODS OF CONSTRUCTION (MMC)

If the subject property falls within the category of Modern Methods of Construction as defined by MHCLG (MMC), and we are not aware or made aware during the valuation process, we shall not be liable for any resulting loss or lending decision. We assume that any MMC properties have appropriate BOPAS accreditation or equivalent.

#### 14. DELETERIOUS MATERIALS:

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

#### 15. SITE CONDITIONS:

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which the ground is intended to be used. We do not undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are reported on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

#### 16. ENVIRONMENTAL CONTAMINATION:

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

#### 17. INSURANCE:

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. In particular, we will have regard to the following:

##### Composite Panels

Insurance cover, for buildings incorporating certain types of composite panel may only be available subject to limitation, for additional premium, or unavailable. Information as to the type of panel used is not normally available. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

##### Terrorism

Our valuations have been made on the basis that the properties are insured against risks of loss or damage including damage caused by acts of Terrorism as defined by the Terrorism Act 2000. We have assumed that the insurer, with whom cover has been placed, is reinsured by the Government backed insurer, Pool Reinsurance Company Limited.

##### Flood and Rising Water Table

Our valuations have been made on the assumption that the properties are insured against damage by flood

and rising water table. Unless stated to the contrary our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

#### 18. OUTSTANDING DEBTS:

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

#### 19. CONFIDENTIALITY AND THIRD-PARTY LIABILITY:

Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

#### 20. STATEMENT OF VALUATION APPROACH:

We are required to make a statement of our valuation approach, and the specific approach(s) adopted is confirmed in the Letter of Engagement. The following provides a summary of our approaches:

##### ***Income Approaches:***

**The Discounted Cash Flow (DCF) valuation method** involves projecting estimated cash flows over an assumed investment holding period, plus a terminal value at the end of that period, usually arrived at on a conventional All Risks Yield ("ARY") basis. The cash flow is then discounted back to the present day at an appropriate discount rate that reflects both market and property specific risks.

To arrive at the estimated net cash flow, we reflect the investment's specific leasing pattern (or other sources of income generation, where for example there are no leases as such) including rent reviews, lease renewals or re-lettings on lease expiry, void costs while parts of the property are vacant, non-recoverable outgoings and anticipated capital outlays (for example on refurbishment or upgrade). We apply explicit growth assumptions to the income and costs in line with market derived forecasts.

For properties valued having regard to their trading potential, we have regard to the future revenues and costs associated with the operation of the property, in line with market practice.

The terminal value reflects our projection of future income at the assumed exit date taking account of such factors as implicit, anticipated rental growth, the unexpired term and the reversionary nature of any leases. The assumed exit date should reflect market practice, which will vary between sectors; and have regard to the economic life of the asset.

**The traditional investment method** involves the application of a capitalisation rate, as a multiplier, against the current and, if any, reversionary income streams. Following market practice, we construct our valuations adopting 'hardcore' methodology where the reversions are generated from regular short-term uplifts of market rent. We would normally apply a term and reversion approach where the next event is one which fundamentally changes the nature of the income or characteristics of the investment. Where there is an actual exposure to, or a risk of, irrecoverable costs, including those of achieving a letting, an allowance is reflected in the valuation.

Where land is vacant or held for development, we adopt the comparison method where possible and when there is relevant evidence. We may use the residual method, particularly on more complex and bespoke proposals. The **residual method** is a hybrid of the market approach, the income approach and the cost approach. This is based on the completed "gross development value", the deduction of development costs along with the developer's return to arrive at the residual value of the development property / land.

##### ***Market Approach:***

Vacant buildings may be valued and analysed using any of the above methodologies and also by using the **comparison method** having regard to other capital value transactions where applicable.

##### ***Cost Approach:***

**Depreciated replacement cost (DRC) method** assesses the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

#### 21. CAPITAL EXPENDITURE REQUIREMENT:

Where buildings are undergoing works, such as refurbishment or repairs, or where developments are in progress, we rely upon cost information supplied to us by the client or their appointed specialist advisors.

22. GOODWILL, FIXTURES AND FITTINGS:

Unless otherwise stated our valuations exclude any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier.

23. PLANT AND MACHINERY:

No allowance is made for any plant, machinery or equipment unless it forms an integral part of the building and would normally be included in a sale of the building.

24. SERVICES:

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore, we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

25. LAND AND BUILDING APPORTIONMENTS:

When instructed, we will provide apportionments between land and buildings for depreciation purposes only. Such apportionments are not valuations and should not be used for any other purpose unless specified in the report.

26. PORTFOLIO VALUATIONS:

In respect of valuations of portfolios of properties, our overall valuation is an aggregate of the individual values of each individual property. The valuation assumes, therefore, that each property would be marketed as an individual property and not as part of a portfolio. Consequently, no portfolio premium or discount is reflected and any consequence of marketing a range of individual properties together is not reflected in our valuations, unless specifically stated.

27. TAXABLE VALUE / RATING:

Any information regarding rating has generally been obtained from the Valuation Office website. We will not investigate whether any rating assessment is a fair assessment or considered the likelihood of an appeal being successful.

28. PLANS AND MAPS:

All plans and maps included in our report are strictly for identification purposes only and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence and may include mapping data.

29. REPORTING DATES:

We assume that there are no material changes in circumstances between the date of inspection and the valuation date. Should the valuer be made aware of any material changes that occurs after inspecting the property these are taken into account in the valuation.

We assume that there are no material changes in circumstances between the valuation date and the reporting date. Should the valuer be made aware of any material changes before the final report has been issued this will be discussed with the client and commented on in the report where appropriate.

30. SUSTAINABILITY / ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

We consider significant Environmental, Social and Governance (ESG) factors as part of the Instruction, which is assessed by a valuer and not a technical ESG expert. The valuation and/or report does not constitute an ESG risk assessment or ESG rating.

Should you require formal strategic advice on ESG factors, this would be subject to a separate instruction and we will refer you to JLL's Risk Advisory team.

31. HOTELS (if relevant):

Hotels and certain similar properties are usually sold as fully operational entities, including trade fixtures, fittings, furniture, furnishings and equipment. The new owner will normally engage the existing staff and sometimes the management and would expect to take over the benefit of future bookings, which are an important feature of the continuing operation.

Accordingly, our valuations assume that the hotel is open for business and trading up to the date of sale. Unless stated to the contrary, it is assumed that it has the benefit of all necessary licences, consents, registration certificates and permits, as appropriate (including fire certificates), and that they can be renewed. Consumable stocks are excluded from the valuation of the property.

Fixtures, fittings, furniture and stock are taken into account as apparent on inspection (or otherwise indicated to us) on the basis that the hotel is suitably equipped for the satisfactory continuation of the business and that all such furniture, fittings and equipment will be included in any sale.

Unless informed to the contrary, we assume that no particular value attaches to any item of furniture or work of art and also that all furniture, fittings and equipment is owned and not subject to any lease arrangement.

In arriving at our valuation, we consider trading accounts for previous years, where they are available and, where appropriate, we have regard to management accounts, forecasts and projections of future trading activity as indicators of future potential. Details of the hotel and its operation are often obtained from the hotel management. Such information is checked where appropriate but is normally accepted as accurate unless contrary indications are received. In the event of a future change in the trading potential or actual level of trade from that indicated by such information and assumptions, the value of the hotel could vary, and could fall as well as rise.

No allowance is made for any contingent tax liabilities or liability to staff (whether relating to redundancy payments, pensions or otherwise) unless expressly stated.

Unless otherwise instructed, we adopt the date of the inspection as the valuation date.

# **Appendix 3**

## **Definition of Market Value**

**4. Market Value**

The definition of Market value is defined in IVS 102 Bases of Value: Appendix A10.01 as:

*‘the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’*

- 4.1. Market value is a basis of value that is internationally recognised and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is defined in IVS 102 Appendix as ‘the use, from a participant perspective, that would produce the highest value for an asset’. It is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible – fuller treatment of this basis of value can be found at paragraph A10.04 and section A90 of IVS 102 Bases of Value: Appendix.
- 4.2. It ignores any price distortions caused by *special value* (an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*) or *synergistic value* (*marriage value*). It represents the price that would most likely be achievable for an asset across a wide range of circumstances. Market rent (see section 5) applies similar criteria for estimating a recurring payment rather than a capital sum.
- 4.3. In applying *market value*, the *valuation* amount **must** reflect the actual market state and circumstances as of the effective *valuation date*. The full conceptual framework for market value can be found in section A10 of IVS 102 Bases of Value: Appendix.
- 4.4. Notwithstanding the disregard of *special value*, where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the asset in the future, the impact of that expectation is reflected in *market value*. Examples of where the expectation of additional value being created or obtained in the future may have an impact on the market value include:
  - the prospect of development where there is no current permission for that development and
  - the prospect of synergistic value/marriage value arising from merger with another property or asset, or interests within the same property or asset, at a future date.
- 4.5. The impact on value arising by use of an *assumption* or *special assumption* should not be confused with the additional value that might be attributed to an asset by a *special purchaser*.
- 4.6. In some jurisdictions a *basis of value* described as ‘highest and best use’ is adopted, and this may either be defined by statute or established by common practice in individual countries or states.

**A10. IVS Framework**

A10.02 The definition of *market value* must be applied in accordance with the following conceptual framework:

- (a) “The estimated amount” refers to a price expressed in terms of money payable for the *asset* in an arm’s length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the valuation date in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *value* available only to a specific owner or purchaser.
- (b) “An *asset* or liability *should* exchange” refers to the fact that the value of an *asset* or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the *price* in a transaction that meets all the elements of the *market value* definition at the valuation date.
- (c) “On the valuation date” requires that the *value* is time specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.

- (d) “Between a willing buyer” refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at *any price*. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher *price* than the market requires. The present owner is included among those who constitute “*the market*”.
- (e) “And a willing seller” is neither an over-eager nor a forced seller prepared to sell at any *price*, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the *asset* at market terms for the best price attainable in the open market after proper marketing, whatever that price *may be*. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.
- (f) “In an arm’s length transaction” is one between parties who do not have a particular or special relationship, eg, parent and subsidiary companies or landlord and tenant, that *may* make the price level uncharacteristic of the market or inflated. The *market value* transaction is presumed to be between unrelated parties, each acting independently.
- (g) “After proper marketing” means that the *asset* has been exposed to the market in the most appropriate manner to affect its disposal at the best *price* reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best *price* in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of *asset* and market conditions. The only criterion is that there *must* have been sufficient time to allow the *asset* to be brought to the attention of an adequate number of market *participants*. The exposure period occurs prior to the *valuation date*.
- (h) “Where the parties had each acted knowledgeably, prudently” presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the *asset*, its actual and potential uses, and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the *price* that is most favourable for their respective positions in the transaction.

Prudence is assessed by referring to the state of the market at the *valuation date*, not with the benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell *assets* in a market with falling prices at a *price* that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

- (i) “And without compulsion” establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.
- A10.03. The concept of *market value* presumes a *price* negotiated in an open and competitive market where the participants are acting freely. The market for an *asset* could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market *participants*. The market in which the *asset* is presumed exposed for sale is the one in which the *asset* notionally being exchanged is normally exchanged.
- A10.04 The *market value* of an *asset* will reflect its highest and best use (see IVS 102 *Bases of Value*, Appendix A90). The highest and best use is the use of an *asset* that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use *may* be for continuation of an *asset*’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the *asset* when formulating the *price* that it would be willing to bid.
- A10.05 The nature and source of the *valuation inputs must* be consistent with the *basis of value*, which in turn *must* have regard to the valuation *intended use*. For example, various *valuation approaches* and *valuation methods* may be used to arrive at an opinion of value provided they use *observable data*. The market approach will, by definition, use market-derived inputs. To indicate *market value*, the income approach *should* be applied, using *inputs* and assumptions that would be adopted by participants. To indicate *market value* using the cost approach, the *cost* of an *asset* of equal utility and the appropriate adjustments for physical, functional and economic obsolescence *should* be determined by analysis of market-based costs and depreciation.
- A10.06 The *data* available and the circumstances relating to the market for the *asset* being valued *must* determine which *valuation method* or *methods* are most relevant and appropriate. If based on appropriately analysed *observable data*, each *valuation approach* or *valuation method* used should provide an indication of *market value*.
- A10.07 *Market value* does not reflect attributes of an *asset* that are of *value* to a specific owner or purchaser that are not available to other buyers in the market. Such advantages *may* relate to the physical, geographic, economic or legal characteristics of an *asset*. *Market value* requires the disregard of any such element of *value* because, at any given date, it is only assumed that there is a willing buyer, not a particular willing buyer.

# Value and Risk Advisory

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