THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

If you have sold or otherwise transferred all of your Ordinary Shares in Helical plc (the "**Company**"), please forward this document as soon as possible to the purchaser or transferee, or to the bank, stockbroker, or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale was effected.

This document does not constitute an offer of any securities for sale. The distribution of this document into jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions. If you have sold only part of your holding of Ordinary Shares you should retain these documents.

Your attention is drawn to the "Letter from the Chairman" set out in Part 1 of this document which contains a recommendation from the Board that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

HELICAL PLC

(incorporated and registered in England and Wales with registered number 156663)

Buy-back and cancellation of Deferred Shares

and

Amendments to articles of association in connection with becoming a REIT

and

Notice of General Meeting

Notice of a General Meeting of the Company to be held at 5 Hanover Square, London W1S 1HQ at 2:30 p.m. on 21 March 2022 is set out at the end of this document. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. Please see the notes accompanying the notice of General Meeting for details regarding methods available to appoint a proxy, which in each case must be received by the Company's registrars, Link Group, not later than 2:30 p.m. on 17 March 2022 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion of a form of proxy will not prevent a Shareholder from attending and voting in person at the General Meeting. Amended instructions must also be received by Link Group by the deadline for receipt of forms of proxy.

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security.

FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "projects", "assumes", "expects", "intends", "may", "will", "would" or "should", or in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

They appear in a number of places throughout this document and include statements regarding the Directors', the Company's and the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, prospects, growth strategies and the

industries in which the Group will operate. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the markets, the market position of the Group, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this document.

Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. However, these forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Except to the extent required by applicable law, the Listing Rules, the Disclosure Guidance and Transparency Rules and other applicable regulations, the Company disclaims any obligation or undertaking to update any forward-looking statement contained in this document to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DEFINITIONS AND GLOSSARY

Capitalised and certain technical terms contained in this document have the meanings set out in Part 5 of this document.

This document is dated 25 February 2022.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2022
Announcement of the publication and posting of this document and notice of General Meeting to Shareholders	25 February
Latest time and date for receipt of forms of proxy	2:30 p.m. on 17 March
General Meeting	2:30 p.m. on 21 March
Announcement of the results of the General Meeting	on or around 21 March
Completion of the buy-back of Deferred Shares	on or around 21 March
Admission to the REIT regime	1 April

Notes:

(1) All references to times in this document are to London times unless stated otherwise.

(2) Each of the times and dates in the above expected timetable of principal events and mentioned throughout this document may be subject to change, in which event details of the new times and dated will be notified, where appropriate, by means of an announcement through a Regulatory Information Service.

PART 1

LETTER FROM THE CHAIRMAN

Helical plc

(incorporated and registered in England and Wales with registered number 156663)

Directors
Richard Grant (*Chairman*)
Gerald Kaye (*Chief Executive*)
Tim Murphy (*Director*)
Matthew Bonning-Snook (*Director*)
Richard Cotton (*Senior Independent Director*)
Sue Clayton (*Non-Executive Director*)
Sue Farr (*Non-Executive Director*)
Joe Lister (*Non-Executive Director*)

Registered Office
5 Hanover Square,
London W1S 1HQ

25 February 2022

Dear Shareholder,

Recommended proposals for the (i) buy-back and cancellation of Deferred Shares and (ii) amendments to articles of association in connection with becoming a REIT

Introduction

On 12 January 2022 the Board announced its intention to apply for entry to the real estate investment trust ("**REIT**") regime with effect from 1 April 2022.

In connection with the Group's entry into the REIT regime the Board is proposing that a special resolution be passed by Shareholders at the General Meeting to make certain amendments to the Articles (the "**REIT Proposal**"). The amendments are required to give the Company the necessary rights and powers to ensure that certain additional tax charges do not arise under the REIT regime (further details are set out in the paragraph headed "The Substantial Shareholder Rule" on page 8). Although the Group's conversion to a REIT is not conditional upon the passing of the REIT Proposal, the Group may become liable for such additional tax charges if it is not approved.

As you may be aware, the Company currently has in issue Deferred Shares following a capital reorganisation effected by the Company in December 2004. The Deferred Shares are not admitted to trading on the LSE (unlike the Company's Ordinary Shares), are economically valueless and carry no rights to vote at a general meeting of the Company. To comply with certain conditions to becoming a REIT under the REIT regime, namely the requirement for the Company to only have one class of ordinary shares in issue, the Company is proposing to cancel the Deferred Shares. Accordingly, the Board is also proposing that an ordinary resolution be passed by Shareholders at the General Meeting to allow the Company to undertake the buy-back and cancellation of the Deferred Shares (together, the "**Buy-Back Proposal**") (the REIT Proposal and the Buy-Back Proposal, together the "**Proposals**").

The purpose of this document is to provide Shareholders with further details on the background to the Proposals, explain why the Board believe the Proposals are in the best interest of Shareholders as a whole and to convene a General Meeting at which Shareholders will be asked to vote on the Resolutions.

Background to the REIT Proposal

Since 1 January 2007 there has been legislation in place in the UK to enable qualifying companies (or groups) to apply for REIT status. A company (or group) carrying on a "property rental business" as defined in UK tax legislation may give notice to opt for the treatment provided by the REIT regime, subject to meeting a number of initial and ongoing conditions.

The basic principle of the REIT regime is that, in relation to a company or group with REIT status, the net rental income derived from the company's or group's rental property portfolio is exempt from UK corporation tax, as are capital gains on the disposal of the rental properties and capital gains on the disposal of qualifying UK property rich companies (broadly, where at least 75% of the company's value is derived from UK land).

The REIT regime, in essence, seeks to treat investors in a REIT as if they hold an interest in the property rental business directly. Investing in property through a corporate investment vehicle (excluding the REIT regime) has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholders effectively suffer tax twice on the same income – first, indirectly, when members of a group pay UK direct tax on their profits, and secondly, directly, when the shareholder receives a dividend or on the disposal of shares. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT in a manner they do not suffer if they were to invest directly in the property assets. As a REIT, companies within the Group would no longer pay UK direct taxes on their income and capital gains from the Tax-Exempt Business, provided that certain conditions are satisfied. Instead, distributions in respect of the Tax-Exempt Business will be treated for UK tax purposes as property income in the hands of Shareholders (Part 3 of this document contains further detail on the UK tax treatment of shareholders after entry into the REIT regime).

As referred to above, in order to facilitate the Group qualifying as a REIT, certain changes are required to the Articles. These changes take account of the REIT regime, specifically the REIT rules regarding the payment of dividends to Substantial Shareholders. If approved by Shareholders, the proposed amendments to the Articles will not take effect unless the Group is accepted by HMRC into the REIT regime.

Background to conversion to REIT status

General

A REIT is a company that either itself owns and operates a property rental portfolio, which can be commercial, residential or any other type of commercially let property, or comprises a group of companies which carries out these activities. Under the REIT regime at least 90% of the net rental profits for each accounting period must be distributed to shareholders on or before the filing date for the Company's tax return for the accounting period, and in return the REIT is exempt from UK corporation tax on profits relating to its qualifying property rental business and gains relating to its qualifying property rental business and gains relating to qualifying UK property rich companies (broadly, where at least 75% of the company's value is derived from UK land).

REITs are intended to enable the income and gains from property rental assets to be generated in a tax efficient manner and to ensure that the net return for shareholders from investing in a property are broadly consistent with returns from direct property investment.

A group of companies which opt into the REIT regime is permitted to carry on both tax-exempt property rental activities and other taxable activities, subject to certain restrictions which are set out below. Electing for REIT status does not change the legal status of a company or its share capital.

Conditions to becoming a REIT

In order to be eligible to apply for REIT status, a group of companies will need to meet certain conditions which are summarised below and are discussed in more detail in Part 2 of this document. These conditions are as follows:

(a) The principal company of the relevant group must be a solely UK tax resident company whose ordinary shares (subject to certain exemptions) are admitted to trading on a recognised stock exchange (which includes the Main Market of the London Stock Exchange) and listed on the Official List of the UK Listing Authority (or an overseas equivalent);

(b) The principal company must not be a "close company" or an open-ended investment company;

(c) The property rental business should comprise at least 75% of the overall group's activities, measured by reference to both the value of its assets and its total profits;

(d) A minimum of 90% of the REIT's "profits" for an accounting period (calculated under statutory UK tax principles after interest, capital allowances, other deductions for tax purposes and excluding chargeable gains) from the Tax-Exempt Business must be distributed to investors. This distribution is referred to as a property income distribution or "PID";

(e) The group must not be subject to any loans considered to be on uncommercial terms; and

(f) The principal company of the relevant group must only have one class of ordinary shares and the only other shares it may issue are non-voting fixed rate preference shares.

The Company (and where relevant the Group), subject to Shareholder approval of the Buy-Back Proposal, is expected to satisfy all the above conditions to be eligible to apply for REIT status and the Board expects the Group to continue to comply with the rules of the REIT regime in the future.

In addition to the above conditions, as a REIT, the Company and, where relevant, the Group should take account of various restrictions in order to maximise tax efficiency as follows:

(a) The Group will be subject to a financing costs cover test on the Tax-Exempt Business. This is a form of gearing test. The Group will need to be within the limits envisaged by the test to avoid an additional tax charge. In effect this would require the Group to ensure that its net rental income is not less than 1.25 times the costs of gearing. It is expected that the Group will be well within these limits; and

(b) The Company may be liable to UK corporation tax in the event that distributions are made to any Substantial Shareholder. Further details are set out in the paragraph headed "The Substantial Shareholder Rule" below. The Group can protect itself against the risk of this tax charge provided it can demonstrate it has taken reasonable steps to avoid paying distributions to such Substantial Shareholders. The proposed amendments to the Articles should enable the Group to satisfy this requirement.

Reasons for and benefits of the Group becoming a REIT

A REIT is a property investment company which, very broadly, simulates (from a tax perspective) direct investment in UK property, and so avoids the additional layer of taxes that can arise when investing through a corporate structure.

As the UK corporation tax rate is to increase from 19% to 25% from April 2023, the REIT election may allow investors to benefit from a 20% effective rate or less depending upon their own tax status.

The REIT itself is exempt from corporation tax on both rental income and gains on sales of investment properties (and shares in qualifying UK property rich companies) used in a property rental business carried on in the UK. Furthermore, a REIT is able to benefit from a rebasing of underlying property assets when it acquires a company owning property investments, making it more competitive on company acquisitions.

Further details of the REIT regime and the implications of the Group becoming a REIT are set out in Part 2 of this document.

The implications of the Group becoming a REIT

General

Obtaining REIT status would not materially alter the Group's business or operations, but (on the basis of the relevant conditions being satisfied) is a more tax-efficient structure. There will not be any material changes to the investment policy or investment strategy or the legal corporate structure of the Group in relation to obtaining REIT status. It is the intention of the Board that the Group's business will continue to comprise predominantly of the Tax-Exempt Business. The Board is not proposing any changes to its management and administrative arrangements.

Dividends

The Company intends to employ the same dividend policy following the election for REIT status as it does now. Within the REIT regime, distributions from the Company may, in the hands of the Shareholders, comprise PIDs, ordinary dividends or a combination of the two. The Company will be required to distribute to Shareholders (by way of a PID), on or before the filing date of the Company's tax return for the accounting period in question, at least 90% of the income profits of the Tax-Exempt Business (broadly, calculated using statutory tax rules). Subject to certain exceptions, these PIDs will be subject to withholding tax at the basic rate of income tax (currently 20%). The Company may be able to distribute additional amounts over and above the minimum PID requirement, in which case such amounts will be treated for UK tax purposes as ordinary corporate dividends or as a PID, dependent on their source. For further details, please see Part 2 of this document.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose, the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Registrars).

The precise proportion of recurring property rental income that the Group distributes may vary between years, according to the needs of the business. Ordinarily, however, the Board would expect to distribute a high proportion (including the mandatory PID element) of earnings, on the basis of adjusted EPRA earnings per share. A proportion of realised capital profits may also be distributed, to the extent the Board regards those earnings as surplus to the needs of the business.

Tax position of the Shareholders

The comments in this section are provided for general guidance only. Shareholders who are in any doubt concerning the taxation implications of any matters reflected here should consult their professional advisers.

The adoption of REIT status by the Group will alter the Shareholders' tax positions in respect of the receipt of dividends paid under the REIT regime. On the basis that REIT status is achieved with effect from 1 April 2022, the first distribution that the Company could make under the REIT regime would relate to profits for part of the year ended 31 March 2023.

As discussed above, distributions from the Company may comprise PIDs, ordinary dividends or a combination of the two. If capital gains are retained in the business and not distributed, only distributions of profits after interest, capital allowances and other tax deductions will constitute PIDs. Whilst there is no requirement to distribute profits arising from capital gains, to the extent such gains arise from the Tax-Exempt Business they would constitute PIDs if distributed. Other dividends will be taxed in the hands of Shareholders in the same way as other dividends paid by any other UK resident company. Further detail in respect of the attribution of distributions is included in Part 3 of this document.

Broadly, PIDs are treated for UK tax purposes in the hands of shareholders as property rental income rather than ordinary corporate dividends. They may be subject to withholding tax at source, at the basic rate of UK income tax (currently at a rate of 20%). Additional UK taxes may be payable based on a shareholder's marginal UK income tax rate. Certain UK tax-exempt investors, for example ISAs and SIPPs, will not be subject to tax (withholding tax or otherwise) on the PIDs. A summary in tabular form of the UK tax position of distributions paid by the Company for certain groups of Shareholders is set out in Part 3 of this document.

A general guide to the treatment for the principal classes of Shareholders is also set out in Part 3 of this document.

The Substantial Shareholder Rule

Within the REIT regime, corporation tax may be incurred by the Company if it makes a distribution to a Substantial Shareholder unless the Company has taken reasonable steps to avoid such a distribution being paid. Shareholders should note that this restriction only applies to certain Shareholders that are companies or other bodies corporate and to certain entities which are deemed to be bodies corporate. It does not apply to nominees.

Under the REIT regime a Substantial Shareholder is a holder of excessive rights in certain companies (or other body corporates) who, either directly or indirectly (i) is beneficially entitled to 10% or more of the company's dividends; (ii) is beneficially entitled to 10% or more of a company's share capital; or (iii) controls 10% or more of the voting rights in a company.

The background to the charge recognises that in certain circumstances such shareholders resident in jurisdictions with particular double tax agreements with the UK can reclaim all or part of the UK income tax payable by them on the dividend. This charging provision seeks to collect from the Company an amount of UK corporation tax equivalent to the basic rate income tax liability on the dividend.

A tax charge may be imposed only if a REIT pays a dividend in respect of a Substantial Shareholding and the dividend is paid to a person who is a Substantial Shareholder. The charge is not triggered merely because a shareholder has a stake in the company of 10% or more. The amount of the tax charge is calculated by reference to the total dividend that is paid to the Substantial Shareholder and is not restricted to the excess over 10%.

The Board considers it appropriate that the Company should put in place the mechanisms in accordance with the guidance issued by HMRC so that the Company can avoid the imposition of such a tax charge in circumstances where a Substantial Shareholding occurs following its entry into the REIT regime. The changes proposed to be made to the Articles will give the Board the powers it needs to demonstrate to HMRC that such "reasonable steps" have been taken.

Amendment to the Articles

A description of the proposed amendments to the Articles are set out in more detail in Part 4 of this document.

The adoption of the New Articles is conditional upon the approval of Shareholders at the General Meeting. Resolution 2 will be proposed as a special resolution which means that in order for Resolution 2 to be passed at least 75% of the votes cast on Resolution 2 must be in favour.

Expected timetable for admission to the REIT regime

The principal company of a Group satisfying the conditions for REIT status can choose the date from which the REIT regime will apply by specifying such date in its notice to HMRC. The Board, subject to the passing of the Resolutions at the General Meeting, intends to serve notice to HMRC for entry to the REIT regime to take effect from 1 April 2022.

Background to the Buy-Back Proposal

To enable the Company to return money to Shareholders in a tax efficient manner, the Company implemented a capital reorganisation approved by way of a resolution of the Shareholders dated 20 December 2004. This capital reorganisation involved, *inter alia*, issuing Deferred Shares of $^1/_8$ pence each in the capital of the Company to certain Shareholders.

The Deferred Shares were not admitted to trading on the LSE at the time of their issue (and have not been subsequently admitted to trading on the LSE or any other exchange), are economically valueless and carry no rights to vote at a general meeting of the Company. The holders of the Deferred Shares are certain holders of Ordinary Shares at the time of the capital reorganisation described above. No share certificates were issued for the Deferred Shares. Pursuant to Article 7 of the Articles, all of the Deferred Shares can be re-purchased by the Company for an aggregate consideration of not more than 1 pence without obtaining the sanction of the holders of the Deferred Shares. The Company may also appoint a person to execute, on behalf of the holders of Deferred Shares a transfer therefore and/or an agreement to transfer the same, without making any payment to the holders thereof.

Terms of the Buy-Back Agreement

The buy-back and cancellation of the Deferred Shares can be effected by way of an off-market buy-back agreement to be entered into between the Company and an appointed representative of the holders of Deferred Shares (the "**Buy-Back Agreement**"). The Company's entry into the Buy-Back Agreement will require the approval of a resolution of Shareholders in accordance with section 694(2) of the Companies Act 2006 ("**Resolution 1**"). Resolution 1 will be proposed as an ordinary resolution which means that in order for Resolution 1 to be passed more than 50% of the votes cast on Resolution 1 must be in favour.

Pursuant to Article 7 of the Articles, the Company have the irrevocable authority to appoint any person to execute a transfer and/or any agreement to transfer the Deferred Shares to such person as the Company may determine as custodian thereof and/or to purchase the same. Under the terms of the Buy-Back Agreement the Company will, in reliance on the power granted by Article 7 of the Articles, purchase and subsequently cancel all of the Deferred Shares, for an aggregate consideration of 1 pence, as contemplated by the Articles.

The Company intends to appoint Mr. James Moss, the Company Secretary, as the appointed representative to execute the Buy-Back Agreement on behalf of the holders of the Deferred Shares.

A copy of the Buy-Back Agreement (amongst other documents relating to the Proposals) will be available on the Company's website at https://www.helical.co.uk/investors/shareholder-information/egm and for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Company at 5 Hanover Square, London W1S 1HQ, from the date of this document up to and including the conclusion of the General Meeting.

General Meeting

The amendments to the Articles and the entry into the Buy-Back Agreement is conditional, *inter alia*, on the approval of Shareholders. You will find set out at the end of this document a notice convening the General Meeting at 2:30 p.m. on 21 March 2022, to be held at the offices of the Company at 5 Hanover Square, London W1S 1HQ. All Shareholders are entitled to attend and vote on the Resolutions to be proposed at the General Meeting.

Documents available for inspection

Copies of the following documents will be available on the Company website at www.helical.co.uk/investors/shareholder-information/egm and for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Company at 5 Hanover Square, London W1S 1HQ, from the date of this document up to and including the conclusion of the General Meeting:

(a) this document;

(b) the Buy-Back Agreement;

(c) the form of proxy;

(d) the Articles; and

(e) the New Articles.

Action to be taken

Shareholders are able to complete and return a form of proxy in accordance with the procedures set out below in order to vote in advance of the General Meeting. Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy, which will ensure their votes are cast in accordance with their wishes, even where the Shareholder, or any other person they might wish to appoint as proxy, is unable to attend the meeting in person. Shareholders may alternatively appoint one or more persons other than the Chairman of the General Meeting to be their proxy or proxies to exercise all or any of their rights to vote at the General Meeting and such a proxy need not also be a Shareholder of the Company. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares held by the Shareholder. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. The methods available to appoint a proxy are set out below:

(a) completing the online form of proxy by logging on to www.signalshares.com and selecting Helical plc. If you have not yet registered with www.signalshares.com you will need your IVC which is detailed on your share certificate or is available by calling the Company's registrar, Link Group on +44 371 664 03000 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales);

(b) requesting a hard copy form of proxy from Link Group on the telephone number shown above and returning the completed form to the address shown on the form;

(c) in the case of CREST members, using the CREST electronic proxy appointment service, in accordance with the procedures set out in Note 5 of the notes accompanying the notice of General Meeting,

and in each case with instructions to be received by Link Group not later than 2:30 p.m. on 17 March 2022 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion of a form of proxy will not prevent a Shareholder from attending the General Meeting or any adjournment thereof. Amended instructions must also be received by Link Group by the deadline for receipt of forms of proxy.

Recommendation

The Board considers that the Proposals and the Resolutions are in the best interests of the Shareholders as a whole. Accordingly, the Board unanimously recommends that all Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. The Directors, who in aggregate have an interest in 4,477,206 shares (representing approximately 3.66% of the issued share capital on 23 February 2022 (being the Latest Practicable Date)), intend to vote such shares in favour of the Resolutions.

Yours faithfully,

Richard Grant
Chairman

PART 2

THE REIT REGIME

The REIT regime

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Company's understanding of current UK law and HMRC practice, each of which is subject to change, possibly with retrospective effect. The following paragraphs are not advice.

Overview

The REIT regime was introduced with the intention of encouraging greater investment in the UK property market and it follows similar legislation in other European countries, as well as the long-established regimes in the United States, Australia and the Netherlands.

Investing in property through a corporate investment vehicle (excluding the REIT regime) has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholders effectively suffer tax twice on the same income – first, indirectly, when members of a group pay UK direct tax on their profits, and secondly, directly, when the shareholder receives a dividend or on the disposal of shares. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT in a manner they do not suffer if they were to invest directly in the property assets. As a REIT, companies within the Group would no longer pay UK direct taxes on their income and capital gains from the Tax-Exempt Business, provided that certain conditions are satisfied. Instead, distributions in respect of the Tax-Exempt Business will be treated for UK tax purposes as property income in the hands of Shareholders (Part 3 of this document contains further detail on the UK tax treatment of shareholders after entry into the REIT regime). However, UK corporation tax and overseas taxation will still be payable in the normal way in respect of income and gains from the Group's business (generally including any property trading business and certain other non-property activities and investments) not included in the Tax-Exempt Business (the "**Residual Business**").

While within the REIT regime, the Tax-Exempt Business will be treated as a separate business for UK corporation tax purposes to the Residual Business and a loss incurred by the Tax-Exempt Business cannot be set off against profits of the Residual Business (and vice versa).

As a REIT, the Company will be required to distribute to Shareholders on or before the filing date for the REIT's tax return for the accounting period in question at least 90% of the income profits (broadly, calculated using normal tax rules) of the members of the Group in respect of the Tax-Exempt Business arising in each accounting period. Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure.

In this document, references to a company's accounting period are to its accounting period for tax purposes. This period can differ from a company's accounting period for other purposes.

The treatment of a dividend paid by the Company in the first year after it becomes a REIT should depend on whether it is paid out of profits that existed before or after the Group became a REIT. For example, if the Company elects for REIT status as principal company of the Group with effect from 1 April 2022 and has before that date announced an intention to pay an interim dividend for payment after that date, that dividend would be paid entirely out of profits earned before the Group entered the REIT regime and will therefore be a Non-PID Dividend. A dividend later in 2022 may be paid partly out of profits earned prior to the Group becoming a REIT and partly out of profits earned subsequently and may therefore comprise partly a PID and partly a Non-PID Dividend. The Company will provide Shareholders with a certificate setting out how much of their dividend is a PID and how much is a Non-PID Dividend.

Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20%). As referred to above, further details of the UK tax treatment of Shareholders after entry into the REIT regime are contained in Part 3 of this document.

Qualification as a REIT

The Group will become a REIT group by the Company (as the principal company of the Group) serving notice on HMRC setting out the date from which the Group wishes to obtain REIT status. The date may be in the future but notice cannot be given retrospectively. In order to qualify as a REIT, the Group must satisfy certain conditions set out in Part 12 of the Corporation Tax Act 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the Company must satisfy the conditions set out in

paragraphs (A), (B), (C) and (D) below and the Group companies must satisfy the conditions set out in paragraph (E).

(A) *Company conditions*

The Company must be a solely UK-resident company (other than an open-ended investment company) whose ordinary shares (subject to certain exemptions) are admitted to trading on a recognised stock exchange, such as the London Stock Exchange and listed on the Official List of the UK Listing Authority (or a foreign equivalent). The Company must typically not be a 'close company' (the "**close company condition**").

(B) *Share capital restrictions*

The Company must have only one class of ordinary share in issue and the only other shares it may issue are non-voting fixed rate preference shares.

(C) *Interest restrictions*

The Company must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount of consideration) under the terms of issue of securities listed on a recognised stock exchange.

(D) *Financial Statements*

The Company must prepare financial statements in accordance with statutory requirements ("**Financial Statements**") and submit these to HMRC. The Financial Statements must contain the information about the Tax-Exempt Business and the Residual Business separately. The REIT regime specifies the information to be included and the basis of the preparation of their Financial Statements.

(E) *Conditions for the Tax-Exempt Business*

The Tax-Exempt Business must satisfy the conditions summarised below in respect of each accounting period during which it is to be treated as a REIT:

(a) the Tax-Exempt Business must throughout the accounting period involve at least three properties;

(b) throughout the accounting period no one property may represent more than 40% of the total value of the properties involved in the Tax-Exempt Business. Assets must be valued at fair value and in accordance with International Accounting Standards ("**IAS**") and at fair value when the IAS offers a choice between a cost basis and a fair value basis;

(c) treating all members of the Group as a single company, the Tax-Exempt Business must not include any property which is classified as owner-occupied in accordance with generally accepted accounting practice;

(d) at least 90% of the amounts shown in the Financial Statements of the Group companies as income profits (broadly calculated using the normal tax rules) arising in respect of the Tax-Exempt Business in the accounting period, must be distributed by the Company on or before the filing date for the Company's tax return for the accounting period (the "**90 per cent. distribution test**"). For the purpose of satisfying the 90 per cent. distribution test, any dividend withheld in order to comply with the 10% rule will be treated as having been paid;

(e) the profits arising from the qualifying property rental business must represent at least 75% of the Group's total profits for the accounting period (the "**75 per cent. profits test**"). Profits for this purpose means profits before deduction of tax and excludes realised and unrealised gains and losses on the disposal of property, calculated in accordance with IAS; and

(f) at the beginning of the accounting period the value of the assets in the qualifying property rental business must represent at least 75% of the total value of assets held by the Group (the "**75 per cent. assets test**"). Assets must be valued in accordance with IAS and at fair value where IAS offers a choice of valuation between cost basis and fair value and in applying this test no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically). Cash held by any company in the Group is deemed to be an asset of the property rental business for the purposes of the 75 per cent. assets test.

Effect of becoming a REIT

(A) *Company taxation*

As a REIT, the Group will not pay UK-direct tax on profits from the Tax-Exempt Business, gains from the Tax-Exempt Business, and gains in respect of disposals of qualifying UK property rich companies (broadly, where at least 75% of the company's value is derived from UK land). UK corporation tax will still apply in the normal way in respect of the Residual Business which includes certain trading activities, incidental letting in relation to property trades, intra- group letting of property, letting of administrative property which is temporarily surplus to requirements and certain income such as dividends and interest from members of the Group carrying on non-UK activities. The Group would also continue to pay indirect taxes such as value added tax, stamp duty land tax and stamp duty reserve tax in the normal way.

(B) *Attribution of dividends*

Distributions by the Company will be attributed in the following order.

(a) PIDs received from other UK REITs under deduction of basic rate income tax at 20%, where appropriate as a PID.

(b) In satisfaction of the obligation to distribute 90% of the profits of the Tax-Exempt Business, calculated under tax principles and excluding chargeable gains, which arise in the accounting period – paid, under deduction of income tax at 20% where appropriate, as a PID.

(c) At the discretion of the Company, a distribution of all or any of the following:

(i) profits earned by the (taxable) Residual Business in the period;

(ii) reserves of the Residual Business including brought forward reserves; and

(iii) profits representing the difference between the accounting distributable profits and profits calculated for tax purposes of the Tax-Exempt Business (the difference principally results from the effect of claiming capital allowances in calculating the profits of the Tax-Exempt Business).

This distribution is treated as a normal dividend and no tax is withheld by the Company.

(d) Distribution of the remaining 10% of the Tax-Exempt Business income (calculated under tax principles and excluding chargeable gains) paid – under deduction of basic rate income tax at 20%, where appropriate as a PID.

(e) Distribution of gains relating to the Tax-Exempt Business on the disposal of properties and qualifying UK property rich companies (broadly, at least 75% of the company's value is derived from UK land) – paid under deduction of 20% basic rate income tax, where appropriate as a PID.

(f) Distribution of any other amount – treated as a normal dividend and no tax is withheld by the Company.

(C) *Financial Statements*

As mentioned above, a REIT will be required to submit Financial Statements to HMRC.

(D) *Interest cover ratio*

A tax charge will arise if, in respect of any accounting period, the ratio of the income profits (before capital allowances), in each case, in respect of its Tax-Exempt Business plus the financing costs incurred in respect of the Tax-Exempt Business divided by the financing costs incurred in respect of the Tax-Exempt Business, excluding certain intra-group financing costs, is less than 1.25. This ratio is calculated by reference to the Financial Statements, apportioning costs relating partly to the Tax-Exempt Business and partly to the Residual Business reasonably. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 is chargeable to corporation tax.

(E) *Property development and property trading by a REIT*

A property development by a member of the Group can be within the Tax-Exempt Business provided certain conditions are met. However, if the costs of the development exceed 30% of the fair value of the asset at the later of: (a) the date on which the Group becomes a REIT; and (b) the date of the acquisition of the development property, and the REIT sells the development property within three

years of completion, the property will be treated as never having been within the Tax-Exempt Business. If a member of the Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Tax-Exempt Business.

(F) *Certain tax avoidance arrangements*

If HMRC believes that a member of the Group has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Tax-Exempt Business.

(G) *Movement of assets in and out of the Tax-Exempt Business*

In general, where an asset owned by a member of the Group and used for the Tax- Exempt Business begins to be used for the Residual Business, there will be a capital gains tax-free step up in the base cost of the property. Where an asset owned by a member of the Group and used for the Residual Business begins to be used for the Tax-Exempt Business, this will generally constitute a taxable market value disposal of the asset, except for capital allowances purposes. Special rules apply to disposals by way of a trade and to development property.

(H) *Funds awaiting reinvestment*

Cash awaiting reinvestment, and all other cash, is deemed to be an asset of the qualifying property rental business for the purposes of the REIT conditions.

(I) *Acquisitions and takeovers*

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Tax-Exempt Business and capital gains on disposal of properties in the Tax-Exempt Business.

The position is different where a REIT is taken over by an acquiror which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT (in particular the close company condition) and will therefore be treated as leaving the REIT regime. The properties in the Tax-Exempt Business are typically treated as having been sold and reacquired at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should typically be tax free because they are deemed to have been made at a time when the company was still in the REIT regime and future capital gains on the relevant assets will therefore typically be calculated by reference to a base cost equivalent to this market value.

(J) *Exit from the REIT regime*

The Company can give notice to HMRC that it wants the Group to leave the REIT regime at any time but not with retrospective consent. The Board retains the right to decide to exit the REIT regime at any time in the future without Shareholder consent if it considers this to be in the best interests of the Group.

If the Group voluntarily leaves the REIT regime within ten years of joining and disposes of any property that was involved in its Tax-Exempt Business within two years of leaving, any uplift in the base cost of the property as a result of the deemed disposal on entry into the REIT regime is disregarded in calculating the gain or loss on the disposal. It is important to note that the Company cannot guarantee continued compliance by the Group with all of the REIT conditions and that the REIT regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT regime if:

(a) it regards a breach of the conditions or failure to satisfy the conditions relating to the Tax-Exempt Business, or an attempt to avoid tax, as sufficiently serious;

(b) the Group has committed a certain number of minor or inadvertent breaches in a specified period; or

(c) HMRC has given the Company or the Group at least two notices in relation to the avoidance of tax within a ten year period.

In addition, if the conditions for REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached or the Company ceases to be UK resident, becomes dual resident or an open-ended investment company, the Group will automatically lose REIT status (for further details regarding these conditions see above).

Shareholders should note that it is possible that the Group could lose its status as a REIT as a result of actions by third parties, for example, in the event of a successful takeover by a company that is not a REIT or due to a breach of the close company condition if it is unable to remedy the breach within a specified timeframe.

Where the Group is required to leave the REIT regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the Group is treated as exiting the REIT regime.

PART 3

UK TAX TREATMENT OF SHAREHOLDERS AFTER ENTRY INTO THE REIT REGIME

Introduction

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice, each of which is subject to change, possibly with retrospective effect. The following paragraphs are not advice.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of shares in the Company, in each case, after the Group in which the Company is the principal company has been admitted to the REIT regime.

Except where otherwise indicated, they apply only to Shareholders who are resident for tax purposes in the United Kingdom. They apply only to Shareholders who are the absolute beneficial owners of both their PIDs and their Shares and who hold their Shares as investments. They do not apply to Substantial Shareholders.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

(A) **UK Taxation of Non-PID Dividends**

Non-PID Dividends paid by the Company will be taxed in the same way as dividends paid by the Company prior to entry into the REIT regime, whether in the hands of individual or corporate Shareholders and regardless of whether the Shareholder is resident for tax purposes in the UK.

(B) **UK Taxation of PIDs**

(i) **UK taxation of Shareholders who are UK resident individuals**

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 12 of the Corporation Tax Act 2010 applies, treated as a separate UK property business from any other UK property business (a "**different UK property business**") carried on by the relevant Shareholder. This means that surplus expenses from a Shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business.

Please see also section B(iv) (Withholding tax) below.

(ii) **UK taxation of UK resident corporate Shareholders**

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to UK corporation tax as profits of a property rental business. This means that, subject to the availability of any exemptions or reliefs, such Shareholders should be liable to UK corporation tax on the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of the Corporation Tax Act 2010 applies, treated as a separate Schedule A business from any other Schedule A business (a "**different Schedule A business**") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different Schedule A business cannot be offset against a PID as part of a single calculation of the Shareholder's Schedule A profits.

Please see also section B(iv) (Withholding tax) below.

(iii) **UK taxation of all shareholders who are not resident for tax purposes in the UK**

Where a shareholder who is resident outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding.

Please see also section B(iv) (Withholding tax) below.

(iv) **Withholding tax**

(a) *General*

Subject to certain exceptions summarised at paragraph (d) below, the Company is required to withhold UK income tax at source at the basic rate (currently 20%) from its PIDs unless the Company has reasonable belief that the recipient is entitled to receive such distributions gross. The Company will provide Shareholders with a certificate setting out the amount of tax withheld. Tax is not required to be deducted when distributions are paid to certain types of shareholder including UK corporate bodies (such as open-ended investment companies) and certain UK tax-exempt bodies (such as SIPPs and ISAs). Where distributions are made to Shareholders resident in a country with a double taxation treaty with the UK, tax should be withheld and the Shareholder may seek a refund of the tax where the treaty withholding tax rate is lower.

(b) *Shareholders resident in the UK*

Where UK income tax has been withheld at source, Shareholders who are individuals may, depending on their individual circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are corporates may, depending on their individual circumstances, be liable to pay UK corporation tax on their PID but they should note that, where UK income tax is withheld at source, the tax withheld can typically be set against the Shareholder's liability to UK corporation tax in the accounting period in which the PID is received.

(c) *Shareholders who are not resident for tax purposes in the UK*

It is not possible for a Shareholder to make a claim under a double taxation treaty for a PID to be paid by the Company gross or at a reduced rate. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double tax treaty between the UK and the country in which the Shareholder is resident for tax purposes.

(d) *Exceptions to requirement to withhold UK income tax*

Shareholders should note that in certain circumstances the Company is not required to withhold UK income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is: a company resident for tax purposes in the UK and where the person beneficially entitled to a PID are certain charities.

Payments made to the manager of an ISA may also be made gross.

The Company will also not be required to withhold UK income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership each member of which is either a body described in the paragraph above or the European Investment Fund.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the shareholder concerned is entitled to that treatment. For that purpose, the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Registrars).

A summary in tabular form of the UK tax position of distributions paid by the Company for certain groups of Shareholders is shown below (based on UK tax rates for the tax year to 5 April 2022).

UK resident individual	
PID	*Non-PID Dividend*
• Tax withheld by the Company at 20% • Taxed at the marginal income tax rate. • Credit is given for the tax withheld by the Company. Therefore, to the extent that an individual is a lower, higher or additional rate tax payer, a repayment or further tax may be due.	• No tax withheld by the Company. • Taxed as top slice of income at current effective rates of 7.5%, 32.5% or 38.1% for basic rate, higher rate and additional rate taxpayers respectively. • Taxable non-PID dividends are treated as subject to the annual dividend allowance. This is £2,000 from 6 April 2021. • *From April 2022 tax on dividend income is due to increase by 1.25 percentage points to support the NHS, health and social care.*

Non-UK resident individual	
PID	*Non-PID Dividend*
• Tax withheld by the Company at 20% • May reclaim the difference between 20% withholding and the relevant dividend withholding tax rate agreed under the relevant double tax treaty (if applicable). • Potentially subject to tax in individual's country of residence depending on local tax rules.	• No tax withheld by the Company. • Potentially subject to tax in individual's country of residence depending on local tax rules.

UK resident company	
PID	*Non-PID Dividend*
• No tax withheld by the Company. • Subject to corporation tax at the prevailing rate (currently 19% – typically increasing to 25% from 1 April 2023).	• No tax withheld by the Company. • Treated as a normal UK company dividend – likely to be exempt from tax.

Non-UK resident company	
PID	*Non-PID Dividend*
• Tax withheld by the Company at 20% • May reclaim the difference between 20% withholding and the relevant dividend withholding tax rate agreed under the relevant double tax treaty (if applicable). • No further UK tax.	• No tax withheld by the Company. • No UK tax.
UK tax exempt Shareholder (including SIPPs and ISAs)	
PID	*Non-PID Dividend*
• No tax withheld by the Company. • No UK tax.	• No tax withheld by the Company. • No UK tax.

(C) **UK taxation of chargeable gains, stamp duty and stamp duty reserve tax in respect of Shares in the Company**

Subject to the paragraph headed "Introduction", above, the following comments apply to both individual and corporate shareholders, regardless of whether such shareholders are resident for tax purposes in the UK.

(a) **UK taxation of chargeable gains**

Chargeable gains arising on the disposal of shares in the Company following admission to the REIT regime may be taxed (subject to the availability of exemptions and reliefs). The admission of the Group to the REIT regime will not constitute a disposal of shares in the Company by shareholders for UK chargeable gains purposes.

(b) **UK stamp duty and UK stamp duty reserve tax ("SDRT")**

A conveyance or transfer on sale or other disposal of shares in the Company following entry into the REIT regime will be subject to UK stamp duty or UK SDRT in the same way as it would have been prior to entry into the REIT regime.

(D) **ISAs, SSASs and SIPPs**

The Ordinary Shares will be a qualifying investment for the purposes of an ISA, provided they are acquired by an ISA plan manager. Shares in equities listed on the Main Market, such as the Company, only qualify for the purposes of an ISA where the investments of the REIT themselves continue to meet certain tests laid down by law. The intention of the Directors is to manage the Company in a way which will allow the Ordinary Shares to continue to qualify as ISA investments. In addition, the Ordinary Shares in the Company will be eligible for inclusion in a SSAS or a SIPP.

For the 2021/22 tax year ISAs have an overall subscription limit of £20,000 per person, all of which can be invested in stocks and shares.

(E) UK inheritance tax

For UK inheritance tax purposes the situs of a registered security is generally regarded as where the register of shareholdings is kept.

If you are in any doubt as to your tax position you should consult your professional adviser.

PART 4

PROPOSED AMENDMENTS TO THE ARTICLES

As explained in the letter from the Chairman, it is proposed that the Articles be amended in order to enable the Company to demonstrate to HMRC that it has taken reasonable steps to avoid paying a dividend (or making any other distribution) to a Substantial Shareholder.

For these purposes "**Company**" includes any body corporate and certain entities which are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the UK has a double taxation agreement or for the purposes of such double tax agreements.

If a distribution is paid to a Substantial Shareholder and the Company has not taken reasonable steps to avoid doing so, the Company may become subject to a tax charge based on the quantum of distribution paid to the Substantial Shareholder (and not restricted to the excess over 10%).

The proposed amendments to the Articles will include the insertion of new articles (the "**Additional Articles**") the provisions of which are set out below.

The Additional Articles:

(a) provide directors with powers to identify Substantial Shareholders;

(b) prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met;

(c) allow dividends to be paid on Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Shares; and

(d) seek to ensure that if a dividend is paid on Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in (c) are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend.

References in this Part 4 to dividends include any other distributions.

In addition, it is proposed that additional minor amendments are made to the Articles to reflect, subject to Shareholder approval of the Buy-Back Proposal, the intended cancellation of the Company's Deferred Shares.

A copy of the Articles and the New Articles (amongst other documents relating to the Proposals) will be available on the Company website at www.helical.co.uk/investors/shareholder-information/egm and for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Company at 5 Hanover Square, London W1S 1HQ, from the date of this document up to and including the conclusion of the General Meeting. The New Articles (in addition to this document including the notice of General Meeting) have also been submitted to the FCA's National Storage Mechanism and are available for inspection on its website at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

The effect of the Additional Articles is explained in more detail below.

(A) *Identification of Substantial Shareholders*

The share register of the Company records the legal owner and the number of Shares they own but does not identify the persons who are beneficial owners of the Shares or are entitled to control the voting rights attached to the Shares or are beneficially entitled to dividends.

Accordingly, the Additional Articles would require a Substantial Shareholder and any registered Shareholder holding Shares on behalf of a Substantial Shareholder to notify the Company if their Shares form part of a Substantial Shareholding. Such a notice must be given within two business days after the day on which such person becomes a Substantial Shareholder. If a person is a Substantial Shareholder at the date the Additional Articles are adopted, that Substantial Shareholder (and any registered shareholder holding Shares on its behalf) must give such a notice within two business days after the date the Additional Articles are adopted. The Additional Articles give the Board the right to require any person to provide information in relation to any Shares in order to determine whether the Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which would be seven days after a request is made or such other period as the Board

may decide), the Board would be entitled to impose sanctions, including withholding dividends (as described in paragraph (B) below) and/or requiring the transfer of the shares to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph (E) below).

(B) *Preventing payment of a dividend to a Substantial Shareholder*

The Additional Articles provide that a dividend may not be paid on any Shares that the Board believes may form part of a Substantial Shareholding unless the Board is satisfied that the Substantial Shareholder is not beneficially entitled to the dividend.

If in these circumstances payment of a dividend is withheld, the dividend will be paid subsequently if the Board is satisfied that:

(a) the Substantial Shareholder concerned is not beneficially entitled to the dividends (see also (C) below);

(b) the shareholding is not part of a Substantial Shareholding;

(c) all or some of the Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, a Substantial Shareholder (in which case the dividends would be paid to the transferee); or

(d) sufficient Shares have been transferred (together with the right to the dividends) such that the Shares retained are no longer part of a Substantial Shareholding (in which case the dividends would be paid on the retained Shares).

For this purpose references to the 'transfer' of a Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Share.

(C) *Payment of a dividend where rights to it have been transferred*

The Additional Articles provide that dividends may be paid on Shares that form part of a Substantial Shareholding if the Board is satisfied that the right to the dividend has been transferred to a person who is not, and does not thereby become, a Substantial Shareholder and the Board may be satisfied that the right to the dividend has been transferred if it receives a certificate containing appropriate confirmations and assurances from the Substantial Shareholder. Such a certificate may apply to a particular dividend or to all future dividends in respect of Shares forming part of a specified Substantial Shareholding, until notice rescinding the certificate is received by the Company. A certificate that deals with future dividends will include undertakings by the person providing the certificate:

(a) to ensure that the entitlement to future dividends will be disposed of; and

(b) to inform the Company immediately of any circumstances which would render the certificate no longer accurate.

The Directors may require that any such certificate is copied or provided to such persons as they may determine, including HMRC.

If the Board believes a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described in paragraph (B) above). In addition, the Board may require a Substantial Shareholder to pay to the Company the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to a Substantial Shareholder in reliance on the inaccurate certificate (as described in paragraph (E) below). The Board may require a sale of the relevant Shares and retain the amount claimed from the proceeds.

Certificates provided in the circumstances described above will be of considerable importance to the Company in determining whether dividends can be paid. If the Company suffers loss as a result of any misrepresentation or breach of undertaking given in such a certificate, it may seek to recover damages directly from the person who has provided it. Any such tax may also be recovered out of dividends to which the Substantial Shareholder concerned may become entitled in the future.

The effect of these provisions is that there is no restriction on a person becoming or remaining a Substantial Shareholder provided that the person who does so makes appropriate arrangements to divest itself of the entitlement to dividends.

(D) *Trust arrangements where rights to dividends have not been disposed of by Substantial Shareholder*

The Additional Articles provide that if a dividend is in fact paid on Shares forming part of a Substantial Shareholding (which might occur, for example, if a Substantial Shareholding is split among a number of nominees and is not notified to the Company prior to a dividend payment date) the dividends so paid are to be held on trust by the recipient for any person (who is not a Substantial Shareholder) nominated by the Substantial Shareholder concerned. The person nominated as the beneficiary could be the purchaser of the Shares if the Substantial Shareholder is in the process of selling down their holding so as not to cause the Company to breach the Substantial Shareholder rule. If the Substantial Shareholder does not nominate anyone within 12 years, the dividend concerned will be held on trust for the Company.

If the recipient of the dividend passes it on to another without being aware that the Shares in respect of which the dividend was paid were part of a Substantial Shareholding, the recipient will have no liability as a result. However, the Substantial Shareholder who receives the dividend should do so subject to the terms of the trust and as a result may not claim to be beneficially entitled to those dividends.

(E) *Mandatory sale of Substantial Shareholdings*

The Additional Articles also allow the Board to require the disposal of Shares forming part of a Substantial Shareholding if:

(a) a Substantial Shareholder has been identified and a dividend has been announced or declared and the Board has not been satisfied that the Substantial Shareholder has transferred the right to the dividend (or otherwise is not beneficially entitled to it);

(b) there has been a failure to provide information requested by the Board; or

(c) any information provided by any person proves materially inaccurate or misleading.

In these circumstances, if the Company incurs a charge to tax as a result of one of these events, the Board may, instead of requiring the Shareholder to dispose of the Shares, arrange for the sale of the relevant Shares and for the Company to retain from the sale proceeds an amount equal to any tax so payable.

(F) *Takeovers*

The Additional Articles do not prevent a person from acquiring control of the Company through a takeover or otherwise, although as explained above, such an event may cause the Group to cease to qualify as a REIT.

(G) *Other*

The Additional Articles also give the Company power to require any Shareholder who applies to be paid dividends without any tax withheld to provide such certificate as the Board may require to establish the Shareholder's entitlement to that treatment.

PART 5

DEFINITIONS

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

"**Articles**"	the existing articles of association of the Company at the time of posting and publication of this document
"**Board**" or "**Directors**"	the board of directors of the Company, whose names appear on page 5 of this document
"**Buy-Back Agreement**"	the share buy-back agreement dated 25 February 2022 between the Company and James Moss relating to the Deferred Shares, and described in Part 1 of this document
"**Buy-Back Proposal**"	the proposal to enter into the Buy-Back Agreement
"**close company**"	has the meaning as defined in Part 10 of the Corporation Tax Act 2010 (subject to certain exceptions)
"**Company**"	Helical plc, a public limited company incorporated in England and Wales
"**CREST**"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK International Limited is the Operator (as defined in the CREST Regulations)
"**CREST Regulations**"	the Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
"**Deferred Shares**"	the 212,145,300 non-voting, non-participating shares of $^1/_8$ pence nominal value each in the capital of the Company
"**Disclosure Guidance and Transparency Rules**"	the Disclosure Guidance and Transparency Rules published by the FCA in accordance with section 73A of FSMA
"**EPRA**"	the European Public Real Estate Association
"**FCA**"	the Financial Conduct Authority of the United Kingdom
"**FSMA**"	the Financial Services and Markets Act 2000, as amended from time to time
"**General Meeting**"	the general meeting of the Company convened for 2:30 p.m. on 21 March 2022 (or any adjournment thereof), a notice of which is set out on pages 26-27 of this document
"**Group**"	Group as defined by Part 12 of the Corporation Tax Act 2010
"**HMRC**"	HM Revenue & Customs
"**IFRS**"	International Financial Reporting Standards
"**ISA**"	an individual savings account for the purposes of section 694 of the Income Tax (Trading and Other Income) Act 2005
"**Latest Practicable Date**"	close of business on 23 February 2022 (being the latest practicable date prior to the publication of this document)
"**Listing Rules**"	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
"**LSE**" or "**London Stock Exchange**"	the London Stock Exchange plc or its successor
"**New Articles**"	the revised articles of association to be approved at the General Meeting
"**Non-PID Dividend**"	a dividend which is not treated for UK tax purposes as a PID
"**Ordinary Shares**" or "**Shares**"	ordinary shares in the capital of the Company which have a nominal value of 1 pence each

"**property income distribution**" or "**PID**"	a dividend received by a shareholder of the Company in respect of profits and gains of the Tax Exempt Business and for accounting periods beginning on or after 6 April 2019, in respect of disposals of qualifying UK property rich companies (broadly, at least 75% of the company's value is derived from UK land)
"**Portfolio**"	the property assets of the Group from time to time
"**property rental business**"	a UK property rental business within the meaning of section 205 of the Corporation Tax Act 2009 or an overseas property business within the meaning of section 206 of such act but, in each case, excluding certain specified types of business
"**Proposals**"	the REIT Proposal and the Buy-Back Proposal
"**qualifying property rental business**"	a property rental business fulfilling the conditions in section 529 of the Corporation Tax Act 2010
"**Registrar**"	Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL
"**REIT Proposal**"	the proposal to amend the Articles upon the Group's entry into the REIT regime
"**REIT**" or "**REIT Status**"	a company or Group that qualifies as a UK real estate investment trust under the United Kingdom REIT regime
"**REIT regime**"	the legislation contained in Part 12 of the UK Corporation Tax Act 2010 and the regulations made thereunder
"**Residual Business**"	the business of the Group which is not Tax-Exempt Business
"**Resolution 1**"	the ordinary resolution on page 26 of this document
"**Resolution 2**"	the special resolution on page 26 of this document
"**Resolutions**"	Resolution 1 and Resolution 2
"**Shareholder**"	a holder of Ordinary Shares in the Company
"**SIPP**"	a self-invested personal pension plan
"**SSAS**"	a self-administered pension plan
"**Substantial Shareholder**"	a Shareholder who is beneficially entitled (directly or indirectly) to 10% or more of the Shares or dividends of the Company or controls (directly or indirectly) 10% or more of the voting rights of the Company
"**Substantial Shareholding**"	the Shares in respect of which a Substantial Shareholder is entitled to dividends (directly or indirectly) and/or to which a Substantial Shareholder is beneficially entitled (directly or indirectly) and/or votes attached to which are controlled (directly or indirectly) by the Substantial Shareholder
"**Tax-Exempt Business**"	a group's qualifying property rental business in the UK and elsewhere in respect of which corporation tax on income and capital gains will no longer be payable following entry to the REIT regime provided that certain conditions are satisfied
"**UK Listing Authority**"	the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**£**", "**pence**" or "**sterling**"	the lawful currency of the United Kingdom

NOTICE OF GENERAL MEETING

HELICAL PLC

(incorporated in England and Wales with company number 156663)

NOTICE IS HEREBY GIVEN that a general meeting of Helical plc (the "**Company**") will be held at 2:30 p.m. on 21 March 2022 at 5 Hanover Square, London W1S 1 HQ to consider and, if thought fit, pass the following ordinary resolution and special resolution:

RESOLUTION 1: ORDINARY RESOLUTION

THAT, the Company's entry into and performance of its obligations under the Buy-Back Agreement to be entered into between the Company and the Sellers' Representative (as defined therein) in relation to the purchase and cancellation of the Deferred Shares be and are hereby approved and authorised for the purposes of section 694(2) of the Companies Act 2006 and for all other purposes, provided that this authority shall expire on 21 September 2022 or, if earlier, when the Company has completed the purchase of all of the Deferred Shares pursuant to this authority.

RESOLUTION 2: SPECIAL RESOLUTION

THAT, the articles of association produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification containing amendments required for the purposes of the Company's entry into the REIT regime be adopted as the articles of association in substitution for and to the exclusion of all existing articles of association.

Unless otherwise defined, terms used in this notice of General Meeting and the Resolutions have the same meanings as given to them in the circular sent to Shareholders on 25 February 2022 save where the context requires otherwise.

By order of the Board

James Moss
Secretary

25 February 2022

Notes:

(1) Shareholders are able to complete and return a form of proxy in accordance with the procedures set out below in order to vote in advance of the General Meeting. Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy, which will ensure their votes are cast in accordance with their wishes, even where the Shareholder, or any other person they might wish to appoint as proxy, is unable to attend the meeting in person. Shareholders may alternatively appoint one or more persons other than the Chairman of the General Meeting to be their proxy or proxies to exercise all or any of their rights to vote at the General Meeting and such a proxy need not also be a Shareholder of the Company. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares held by the Shareholder. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. The methods available to appoint a proxy are set out below:

- completing the online form of proxy by logging on to www.signalshares.com and selecting Helical plc. If you have not yet registered with www.signalshares.com you will need your IVC which is detailed on your share certificate or is available by calling the Company's registrar, Link Group on +44 371 664 03000 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales);
- requesting a hard copy form of proxy from Link Group on the telephone number shown above and returning the completed form to the address shown on the form;
- in the case of CREST members, using the CREST electronic proxy appointment service, in accordance with the procedures set out in paragraph 5 below,

and in each case with instructions to be received by Link Group not later than 2:30 p.m. on 17 March 2022 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion of a form of proxy will not prevent a Shareholder from attending the General Meeting or any adjournment thereof. Amended instructions must also be received by Link Group by the deadline for receipt of forms of proxy.

(2) In accordance with Section 325 of the Companies Act 2006 (the "**Act**"), the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Act. Persons nominated to receive information rights under Section 146 of the Act who have been sent a copy of this notice of General Meeting are hereby informed, in accordance with Section 149(2) of the Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

(3) In the case of joint holders, the vote of the senior who tenders the vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which names stand in the Company's relevant register of members for certificated or uncertificated shares of the Company (as the case may be) (the "**Register**") in respect of the joint holding.

(4) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those ordinary Shareholders entered on the Register at 6.00 p.m. on 17 March 2022 (the "**Specified Time**") will be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the General Meeting. Should the General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned General Meeting. Should the General Meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in the notice.

(5) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournments of it by using the procedures described in the CREST Manual.

CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should refer to their CREST sponsors or voting service providers, who will be able to take the appropriate action on their behalf.

For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for those instructions as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to the previously appointed proxy, must, to be valid, be transmitted so as to be received by the Company's Registrar (Participant ID: RA10) by the latest time for receipt of proxy appointments specified in the notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. No messages received through the CREST network after this time will be accepted. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed voting service providers, to procure that its CREST sponsors or voting service providers take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(6) A copy of the notice of General Meeting, and other information required by Section 311A of the Act, can be found at the Company's website: www.helical.co.uk/investors/shareholder-information/egm