

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred your Ordinary Shares in Target Healthcare REIT Limited (the “**Company**”) please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

TARGET HEALTHCARE REIT LIMITED

*(a company incorporated in Jersey, Channel Islands under the Companies (Jersey) Law 1991
(as amended) with registered number 112287)*

Recommended proposals in relation to the issue of New Shares by means of an Initial Placing, Offer for Subscription, Open Offer and Placing Programme

Notice of a General Meeting of the Company to be held at the offices of Dickson Minto W.S., 16 Charlotte Square, Edinburgh EH2 4DF at 12 noon on 21 February 2018 is set out at the end of this document. The Proposals described in this document are conditional upon Shareholders approving the Resolution at the General Meeting. Shareholders are requested to complete and return their Form of Proxy.

To be valid, the accompanying Form of Proxy for use at the General Meeting should be completed and returned in accordance with the instructions printed thereon to the Company’s Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or delivered by hand during office hours only to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible and in any event so as to arrive no later than 9.30 a.m. on 19 February 2018.

EXPECTED TIMETABLE

Initial Issues

Record Date for entitlement under the Open Offer	close of business on 30 January 2018
Ex entitlement date	2 February 2018
Initial Issues open	5 February 2018
Last time and date for withdrawal from CREST	4.30 p.m. 13 February 2018
Last time and date for depositing into CREST	3.00 p.m. 14 February 2018
Last time and date for splitting	3.00 p.m. 15 February 2018
Latest time and date for receipt of completed Form of Proxy	9.30 a.m. 19 February 2018
Latest time and date for receipt of application forms under the Offer for Subscription and Open Offer	11.00 a.m. on 20 February 2018
General Meeting	12 noon 21 February 2018
Latest time and date for receipt of commitments under the Initial Placing	11.00 a.m. on 22 February 2018
Results of the Initial Issues announced	by close of business on 23 February 2018
Initial Admission and dealings in New Shares commence	8.00 a.m. on 27 February 2018
Crediting of CREST accounts in respect of the New Shares under the Initial Issues	8.00 a.m. on 27 February 2018
Share certificates in respect of the New Shares despatched	week commencing 5 March 2018

Placing Programme

Placing Programme opens	28 February 2018
Subsequent Admissions and dealings in New Shares commence	between 28 February 2018 and 31 January 2019
Publication of Placing Programme Price in respect of each Placing Programme Issue	as soon as practicable following each Subsequent Issue
Crediting of CREST in respect of New Shares	8.00 a.m. on each day New Shares are issued
Share certificates in respect of New Shares despatched (if applicable)	approximately one week following the issue of any New Shares

Notes:

- (i) *The dates set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates will be notified to the UK Listing Authority and the London Stock Exchange and an announcement will be made through a Regulatory Information Service.*
- (ii) *All references to time in this document are to the time in London.*
- (iii) *In this document, where the context requires, references to 30 January 2018 should be treated as being references to the latest practicable date prior to the publication of this document.*
- (iv) *New Shares will be issued pursuant to the Proposals only at such times (if any) as the Directors believe it is advantageous to Shareholders to do so.*

LETTER FROM THE CHAIRMAN

TARGET HEALTHCARE REIT LIMITED

*(a company incorporated in Jersey, Channel Islands under the Companies (Jersey) Law 1991
(as amended) with registered number 112287)*

Directors:

Mr Robert Malcolm Naish (*Chairman*)
Prof. June Andrews OBE
Mr Gordon C. Coull
Mr Thomas J Hutchison III
Mrs Hilary Jones
Mr Craig Stewart

Registered Office:

Ordnance House
31 Pier Road
St. Helier
Jersey
JE4 8PW

1 February 2018

Dear Shareholder

RECOMMENDED PROPOSALS FOR FURTHER ISSUES OF NEW SHARES

Introduction

Target Healthcare REIT Limited was launched in March 2013 with a market capitalisation of £46 million. The Company invests in a portfolio of UK care homes and other healthcare assets to achieve its objective of providing Shareholders with an attractive level of income together with the potential for capital and income growth.

Since launch the Company has raised a further £180 million in equity and £130 million in debt finance. The Existing Portfolio comprises 49 care homes across the UK and two forward funding projects, which are let to 20 distinct operating groups, valued at £336 million in aggregate.

The Group is currently in advanced negotiations in relation to the possible acquisition of two forward funding opportunities in Shropshire and Lancashire, with a value of approximately £19 million, and is in advanced negotiations in relation to the possible near term acquisition of the Pipeline Assets, with a value of approximately £61 million. The Investment Manager has also identified further potential assets which are in line with the Company's investment policy and strategy including a portfolio of care home assets with a value of approximately £62 million.

The Group recently entered into a new facility agreement with HSBC under which the Group is able to draw down up to £40 million. The Group's current uncommitted cash reserves together with available undrawn debt (including the new debt facility with HSBC) that is available for investment totals approximately £31.5 million.

Accordingly, your Board is proposing to raise additional equity by means of an Initial Placing, Offer for Subscription, Open Offer and a subsequent Placing Programme of up to 150 million New Shares. The Board expects that the Initial Issues will raise up to £100 million. The Proposals should allow the Investment Manager to complete the acquisition of the assets referred to above and to take advantage of the further acquisition opportunities that are in accordance with the Company's investment policy. The Proposals will also ensure that the amounts available under the HSBC Facility can be drawn down in accordance with the limits under the Company's gearing policy.

The Board believes that the Proposals will have the following benefits for the Shareholders and the Company.

- They will enable the Company to continue with its growth strategy, provide scale to its investment portfolio and they are also likely to increase the liquidity of the Shares by increasing the market capitalisation of the Company and further diversify the Shareholder register.

- They are expected to provide additional capital which should enable the Company to take advantage of the current investment opportunities in the market and make further investments in accordance with the Company's investment policy and within its appraisal criteria.
- As the Company is actively considering a number of specific property opportunities, the Initial Issues should assist in matching the capital requirements of the Company to the investment opportunities identified.
- They are expected to further diversify the Property Portfolio by introducing new tenants to the Group and operating in geographical locations that are currently under-represented in the Property Portfolio.
- The Company intends to use the net proceeds principally to invest in the Imminent Acquisition Assets and/or the Pipeline Assets as well as to pay down debt where appropriate. These assets include forward funding development projects situated in Shropshire, Lancashire, Buckinghamshire, and Oxfordshire and a forward commitment opportunity in Powys. These projects provide the Company with the opportunity to invest in new, purpose built care homes which may not otherwise be available in such locations.
- They will provide a larger equity base over which the fixed costs of the Company may be spread, thereby reducing the Company's ongoing costs per Share.

The purpose of this document is therefore to explain the details of the Proposals to Shareholders and to convene a general meeting to seek authority from Shareholders to allot up to 150 million Ordinary Shares on a non pre-emptive basis pursuant to the Initial Placing, Offer for Subscription, Open Offer and Placing Programme. The General Meeting will be held at 12 noon on 21 February 2018 at 16 Charlotte Square, Edinburgh EH2 4DF.

The Existing Portfolio

As at the date of this document, the Existing Portfolio comprises 49 purpose built care homes and two forward funding projects. These properties are let to 20 distinct operating groups for an aggregate rent of approximately £23.4 million which represents an EPRA Net Initial Yield of 6.58 per cent. The weighted average unexpired lease term of the Existing Portfolio is 28.9 years. The rents payable under the majority of the leases are subject to an annual uplift (which is either fixed or is referenced to RPI) and there are two leases where the rent is determined by reference to EBITDA of the care home operation.

The Group has recently increased its investment in forward funding projects and is currently invested in two forward funding development projects with two developers at sites situated in Birkdale and Earl Shilton. The Company's investment policy permits the gross budgeted development costs of such projects, in aggregate, to represent up to 25 per cent. of the Company's gross assets. The current projects are expected to complete within 12 to 18 months of the date of this document and during the development period the Group earns an interest coupon on the committed funds. Once complete these new, purpose built care homes are expected to include 125 beds with wet room en suite facilities.

Gearing policy

Pursuant to the investment policy, gearing, calculated as borrowings as a percentage of the Group's gross assets, may not exceed 35 per cent. at the time of drawdown. The Board has no current intention of amending this gearing limit.

The Group has a £50 million bank facility with RBS, repayable on 1 September 2021, comprising a term loan facility of £30 million and a revolving credit facility of £20 million, of which £50 million has been drawn down. In addition, the Group has a five year £40 million committed term loan facility, repayable on 30 August 2022, with FCB, of which £36 million has been drawn down.

Furthermore, the Group entered into the HSBC Facility Agreement with HSBC on 29 January 2018. The HSBC Facility is in addition to the RBS Facility and FCB Facility and consists of a £40 million three year committed term loan facility. The Group intends to use the HSBC Facility and any amounts undrawn under the FCB Facility to finance the acquisition of the Near Term Acquisition Assets and/or the Pipeline

Assets depending on when the Group commits to acquiring these assets and the amount of the net proceeds raised under the Initial Issues.

It remains the Board's intention that gearing, over the medium term, should represent approximately 20 per cent. of the Group's gross assets at the time of draw down although it will exceed this intended level in the short term as borrowings are incurred to finance the growth of the Group's Property Portfolio. As at 30 January 2018, the Group's total gearing represented approximately 25 per cent. of the Group's gross assets.

Dividend policy

Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to continue to pay an attractive level of dividend income to Shareholders on a quarterly basis. The dividends paid by the Company have been fully covered for any quarter over which the Company has been fully invested and the Investment Manager seeks to continue to assemble and manage a portfolio which will generate profits to fully cover dividends in periods of full investment.

In September 2017 the Board increased the quarterly dividend in respect of the year ending 30 June 2018 by 2.71 per cent. to 1.6125 pence per Ordinary Share. In the absence of unforeseen circumstances, the total annual dividend for the year ending 30 June 2018 is therefore expected to be 6.45 pence.

The Company has an obligation to distribute at least 90 per cent. of the qualifying profits, as calculated for tax purposes, arising from the Group's qualifying property rental business each year in order to continue to enjoy the full exemption from tax on rental income afforded by the UK REIT regime.

Details of the terms of the Proposals

Under the Initial Placing, Offer for Subscription, Open Offer and Placing Programme, the Company is proposing to issue up to 150 million New Shares subject to Shareholder approval of the disapplication of pre-emption rights attaching to such New Shares at the General Meeting. The Board expects to raise up to £100 million under the Initial Issues but will have the ability to increase the size of the Initial Placing, Offer for Subscription and Open Offer to up to 150 million New Shares if the Board, together with the Investment Manager, believes there are sufficient assets available that are suitable for investment. The price of the New Shares to be issued pursuant to the Initial Issues will be 108 pence, being a 3.45 per cent. premium to the NAV per Share as at 31 December 2017.

The Initial Placing

The Placing Agent has conditionally agreed under the Placing Agreement to use its reasonable endeavours to procure Placees for New Shares at the Initial Issues Price pursuant to the Initial Placing. The Initial Placing will close at 11.00 a.m. on 22 February 2018 (or such later date as the Company, the Sponsor and the Placing Agent may agree). If the Initial Placing is extended, the revised timetable will be notified via an RIS.

The Offer for Subscription

The Directors are also proposing to offer New Shares under the Offer for Subscription. The Offer for Subscription will be made in the UK and Jersey only but subject to applicable laws the Company may issue and allot New Shares on a private placement basis to applicants in other jurisdictions. Completed application forms and the accompanying payment in relation to the Offer for Subscription must be either posted using the pre-paid envelope enclosed to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bristol, BS99 6AH or delivered by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by no later than 11.00 a.m. on 20 February 2018.

The Open Offer

Under the Open Offer, up to 45,851,063 New Shares will be made available to Qualifying Shareholders at the Initial Issues Price *pro rata* to their holdings of Ordinary Shares as at close of business on 30 January 2018, being the Record Date. The entitlements of Existing Shareholders will be calculated on the basis of two New Shares for every eleven Ordinary Shares held as at the Record Date.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue and Open Offer Application Forms cannot be traded.

Qualifying Shareholders who take up all of their Open Offer Entitlement will also have the opportunity to apply for New Shares in excess of their Open Offer Entitlement. The Excess Application Facility will comprise whole numbers of New Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements, together with fractional entitlements under the Open Offer. If the Excess Application Facility is over subscribed the Directors intend to use their discretion to allocate New Shares available under the Initial Placing, Offer for Subscription and Placing Programme to satisfy demand in excess of this, where possible. Applications under the Excess Application Facility will be allocated, in the event of oversubscription, *pro rata* to Qualifying Shareholders' applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part. To the extent that New Shares are not taken up under the Open Offer (including the Excess Application Facility) they will be made available to Placées under the Initial Placing.

The full terms and conditions of the Open Offer are set out in the Prospectus which accompanies this document.

The Placing Programme

Following completion of the Initial Issues, the Directors intend to implement the Placing Programme. The Placing Programme is being implemented to enable the Company to raise additional capital over the period from 28 February 2018 to 31 January 2019 when it identifies properties that are suitable for acquisition. This should enable the Investment Manager to make a series of property acquisitions over the period to 31 January 2019 whilst also mitigating the risk of cash drag on Shareholders' funds.

New Shares will be issued from 8.00 a.m. on 28 February 2018 until 8.00 a.m. on 31 January 2019. The issue of New Shares pursuant to the Placing Programme is at the discretion of the Directors. Any New Shares issued pursuant to the Placing Programme will rank *pari passu* in all respects with the existing Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant New Shares).

The Company may issue up to a maximum of 150 million New Shares under the Placing Programme, less any New Shares issued under the Initial Issues.

The Directors intend to apply the net proceeds of the Placing Programme in making investments that have been identified by the Investment Manager in accordance with the Company's investment objective and policy.

The Prospectus

The Company has also today published a prospectus in relation to the admission up to 150 million New Shares pursuant to the Initial Placing, Offer for Subscription, Open Offer and Placing Programme. The Prospectus contains full details of the proposed Initial Placing, Offer for Subscription, Open Offer and Placing Programme.

General Meeting

The Proposals are subject to Shareholder approval. A notice convening the General Meeting, which is to be held at 12 noon on 21 February 2018 at 16 Charlotte Square, Edinburgh EH2 4DF, is set out at the end of this document.

The Resolution to be considered at the General Meeting will, if passed, enable the Directors to allot up to 150 million New Shares pursuant to the Initial Placing, Offer for Subscription, Open Offer and Placing Programme, without first having to offer them to existing Shareholders in proportion to their existing holdings. This represents approximately 59 per cent. of the Company's total issued share capital, as at 30 January 2018. The Resolution will be proposed as a special resolution that requires to be passed by a three-quarters majority of votes cast at the General Meeting.

Action to be taken

To vote at the General Meeting, Shareholders are requested to complete and return the accompanying Form of Proxy in accordance with the instructions printed thereon, so as to be received by the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible, and in any event no later than 9.30 a.m. on 19 February 2018. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

Recommendation

The Board considers the passing of the Resolution to be in the interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution. The Directors intend to vote in favour of the Resolution in respect of their own beneficial holdings of Shares (amounting to 140,000 Ordinary Shares, representing approximately 0.06 per cent. of the issued share capital of the Company).

Yours faithfully,

Mr Malcolm Naish
Chairman

DEFINITIONS

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

Board or Directors	the directors of the Company from time to time
Company	Target Healthcare REIT Limited, a company incorporated in Jersey with registered number 112287
EBITDA	earnings before interest, taxes, depreciation and amortisation
EPRA Net Initial Yield	the annualised rents generated by the Property Portfolio after the deduction of an estimate of annual recurring irrecoverable property outgoings, expressed as a percentage of the portfolio valuation (adding national purchasers costs) excluding development properties
Excess Application Facility	the facility to acquire Excess Shares under the Open Offer, including the opportunity to apply for additional New Shares under the Initial Issue (if applicable)
Excess Shares	New Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements and are available to other Qualifying Shareholders, together with fractional entitlements under the Open Offer
Excluded Shareholders	Shareholders with a registered address in or who are located in one of the Restricted Jurisdictions
Existing Portfolio	the direct and indirect property assets of the Group as at the date of this document
Existing Shareholders	registered holders of Ordinary Shares as at the Record Date
FCB	First Commercial Bank, Limited, an overseas company with registered number FC011028
FCB Facility	the £40 million loan facility provided to THR12 by FCB pursuant to the FCB Facility Agreement
FCB Facility Agreement	the facility agreement dated 30 August 2017 between FCB, THR12, THR5, THR6 and THR7
Form of Proxy	the form of proxy which has been sent to Shareholders for use by Shareholders at the General Meeting
General Meeting	the general meeting of the Company to be held at 12 noon on 21 February 2018 (or any adjournment thereof)
Group	the Company and its subsidiaries from time to time or any one or more of them, as the context may require
HSBC	HSBC Bank plc, a company incorporated in England and Wales with registered number 14259
HSBC Facility	the £40 million loan facility provided to THR15 by HSBC pursuant to the HSBC Facility Agreement
HSBC Facility Agreement	the facility agreement dated 29 January 2018 between HSBC, THR15, THR8, THR10, THR17 and THR17 Holdings
Imminent Acquisition Assets	the two forward funding opportunities situated in Shropshire and Lancashire that the Group is in advanced negotiations to commit to acquiring for an aggregate consideration of approximately £19 million (including costs)
Initial Admission	admission of the New Shares issued under the Initial Issues to the Official List and to trading on the main market of the London Stock Exchange

Initial Issues	the issue of New Shares at the Initial Issues Price under the Initial Placing, Offer for Subscription and Open Offer
Initial Issues Price	108 pence per New Share
Initial Placing	the initial conditional placing of New Shares by the Placing Agent as described in the Prospectus
Investment Manager	Target Fund Managers Limited, a company incorporated in Scotland with registered number SC548164
NAV or Net Asset Value	the value of the Company's assets, less any liabilities
NAV per Share	the Net Asset Value per Share on the relevant date, calculated on the basis of the Company's normal accounting policies and principles
New Share or New Shares	the Ordinary Shares to be issued by the Company pursuant to the Proposals
Offer for Subscription	the offer for subscription of New Shares at the Initial Issues Price
Open Offer	the offer to Qualifying Shareholders to subscribe for New Shares on a 2 for 11 basis
Open Offer Application Form	the personalised application form on which Qualifying Non-CREST Shareholders may apply for New Shares under the Open Offer
Open Offer Entitlement	the entitlement of Qualifying Shareholders to apply for New Shares under the Open Offer
Ordinary Share or Share	an ordinary share of no par value in the capital of the Company
Pipeline Assets	the modern care home situated in Birmingham, a forward commitment opportunity in Powys and the three future funding arrangements one of which is located in Buckinghamshire and the other two are located in Oxfordshire that the Group is in discussions to acquire in the near term for an aggregate consideration of up to approximately £61 million (including costs)
Placees	the persons to whom the New Shares are issued pursuant to the Initial Placing and the Placing Programme
Placing Agent or Stifel	Stifel Nicolaus Europe Limited, a company incorporated in England and Wales with registered number 03719559
Placing Agreement	the placing agreement between the Company, the Investment Manager and Stifel dated 1 February 2018
Placing Programme	the 12 month programme of placings of New Shares at the relevant Placing Programme Price
Placing Programme Price	the price at which New Shares will be issued under the Placing Programme, as agreed by the Board and the Placing Agent in accordance with the terms of the Placing Agreement at the time of each placing of New Shares under the Placing Programme which shall be at a premium to the prevailing NAV per Share
Property Portfolio	the direct and indirect property assets of the Group from time to time
Proposals	the Initial Issues and the Placing Programme

Prospectus	the prospectus relating to the Company published in relation to the Proposals
Qualifying Shareholders	Existing Shareholders other than Excluded Shareholders
RBS	The Royal Bank of Scotland plc, a company incorporated in Scotland with registered number SC090312
RBS Facility	the £50 million loan facility provided to THR1 by RBS pursuant to the RBS Facility Agreement
RBS Facility Agreement	the facility agreement dated 23 June 2014, as amended by the amendment letter dated 1 April 2016, between RBS, THR1, THR2, THR3 and THR9
Resolution	the resolution to be proposed at the General Meeting to issue up to 150 million New Shares on a non-pre-emptive basis
Restricted Jurisdiction	the US, Canada, Australia, Japan, New Zealand, the Republic of South Africa, the Channel Islands or any EEA State (other than the UK, the Republic of Ireland and the Netherlands) and any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Proposals or the Prospectus is sent or made available to a person in that jurisdiction
Shareholders	holders of Ordinary Shares
Sponsor or Dickson Minto	Dickson Minto W.S.
THR1	THR Number One plc, a company incorporated in England and Wales with registered number 08996524
THR2	THR Number Two Limited, a company incorporated in England and Wales with registered number 08816684
THR3	THR Number 3 Limited, a company incorporated in England and Wales with registered number 084886658
THR5	THR Number 5 Limited, a company incorporated in England and Wales with registered number 05043616
THR6	THR Number 6 Limited, a company incorporated in England and Wales with registered number 08596340
THR7	THR Number 7 Limited, a company incorporated in Gibraltar with registered number 101482
THR8	THR Number 8 Limited, a company incorporated in Gibraltar with registered number 103750
THR9	THR Number 9 Limited, a company incorporated in England and Wales with registered number 09162771
THR12	THR Number 12 plc, a company incorporated in England and Wales with registered number 10766378
THR15	THR Number 15 plc, a company incorporated in England and Wales with registered number 11137916
THR17	THR Number 17 Limited, a company incorporated in England and Wales with registered number 07638039
THR17 Holdings	THR Number 17 (Holdings) Limited, a company incorporated in England and Wales with registered number 08241267

TARGET HEALTHCARE REIT LIMITED

(a company incorporated in Jersey, Channel Islands under the Companies (Jersey) Law 1991
(as amended) with registered number 112287)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Target Healthcare REIT Limited (the "Company") will be held at 16 Charlotte Square, Edinburgh EH2 4DF at 12 noon on 21 February 2018 to consider and, if thought fit, pass the following resolution:

SPECIAL RESOLUTION

Authority to allot Ordinary Shares without rights of pre-emption

THAT, in addition to any existing power, the Directors of the Company be and are hereby generally empowered to allot ordinary shares of no par value (the "**Ordinary Shares**") carrying the rights, privileges and subject to the restrictions attached to the Ordinary Shares as set out in the articles of association of the Company for cash as if any pre-emption rights in relation to the issue of shares, as set out in Article 10(B) of the articles of association of the Company and in the Listing Rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (as amended), did not apply to any such allotment of Ordinary Shares, provided that this power:

- (a) expires on the expiry of 12 months from the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and
- (b) shall be limited to the allotment of up to an additional 150 million New Shares in connection with the Initial Placing, Open Offer, Offer for Subscription and Placing Programme as set out in the circular sent to shareholders of the Company and dated 1 February 2018 (representing, as at 30 January 2018, approximately 59 per cent. of the issued share capital of the Company).

By order of the Board
R&H Fund Services (Jersey) Limited
Company Secretary

Registered Office:
Ordnance House
31 Pier Road
St Helier
Jersey
JE4 8PW

1 February 2018

Notes:

- (i) A member entitled to attend, speak and vote at the Meeting is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy, the member should follow the instructions in the form of proxy accompanying this notice.
- (ii) A form of proxy is provided with this notice for members. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such authority) must be completed and returned in accordance with the instructions printed thereon to the Company's Registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or delivered by hand during office hours to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE the same address as soon as possible and in any event by not less than 48 hours (excluding non-working days) before the time of the holding of the Meeting or any adjournment thereof. Completion and submission of the form of proxy will not preclude shareholders from attending and voting at the Meeting should they wish to do so.
- (iii) The Company specifies that only Shareholders registered on the register of members of the Company by not later than 6.00 p.m. on 19 February 2018 or, if the Meeting is adjourned, at 6.00 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at such time. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- (iv) Any person holding 5 per cent. of the total voting right in the Company who appoints a person other than the Chairman as his or her proxy(ies) will need to ensure that both he or she and such proxy(ies) comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
- (v) If you wish to attend the Meeting in person, there will be a member's register for you to sign on arrival.
- (vi) Information regarding the Meeting is available from the Company's webpage at www.targethealthcarereit.co.uk.
- (vii) As at 30 January 2018, being the last business day prior to the printing of this Notice, the Company's issued capital consisted of 252,180,851 Ordinary Shares carrying one vote for every share held. Therefore, the total voting rights in the Company as at 30 January 2018 are 252,180,851 Ordinary Shares carrying one vote for every share held.
- (viii) Shareholders are advised that, unless otherwise stated, any telephone number, website or email address which may be set out in this notice of Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.