

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

If you have sold or transferred all your Shares in Target Healthcare REIT Limited (the “Company”), you should pass this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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 change to the Company’s investment policy and the issue of New Shares by means of an Initial Placing, Offer for Subscription and subsequent 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 6 May 2016 is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the Resolutions 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 (Jersey) Limited, 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 12 noon on 4 May 2016.

EXPECTED TIMETABLE

	2016
Publication of Prospectus and Initial Placing and Offer for Subscription opens	18 April
Latest time and date for receipt of Form of Proxy	12 noon on 4 May
General Meeting	12 noon on 6 May
Latest time and date for applications under the Offer	11.00 a.m. on 9 May
Latest time and date for commitments under the Initial Placing	1.00 p.m. on 9 May
Admission and dealings in the New Shares issued pursuant to the Initial Placing and Offer expected to commence	8.00 a.m. on 12 May

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
Mr Gordon Coull
Mr Thomas J Hutchison III
Mrs Hilary Jones
Mr Graeme Ross

Registered Office:

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

18 April 2016

Dear Shareholder

RECOMMENDED PROPOSALS FOR CHANGE OF INVESTMENT POLICY AND FURTHER ISSUES OF NEW SHARES

Introduction and background

Target Healthcare REIT Limited is a closed ended investment company which was launched in March 2013 with an opening market capitalisation of £45.6 million. The Company invests in 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. The Company owns a portfolio of 33 care homes across the UK which are let to 11 distinct operating groups and has a Market Value, as at 31 March 2016, of approximately £184 million. The Group has also committed to acquire two further care homes with a value of approximately £14 million.

The Company last published a prospectus in September 2014 in relation to an initial placing and offer for subscription and subsequent 12 month placing programme under which the Company raised approximately £79 million. The Company has also recently increased its Bank Facility to £50 million. The Company has committed or invested substantially all of the proceeds of its 2014 fundraising and £31.5 million of its Bank Facility. Therefore after the consideration of its ongoing working capital and corporate requirements together, the Group's cash reserves and the remaining Bank Facility provide the Group with approximately £30 million of available cash for new investments. The Group has a deferred consideration payment due in October 2016 in relation to the Sutton Care Home and has entered into forward commitment arrangements in relation to the Tonbridge Care Home and the Tapton Court Care Home together totalling £14.9 million.

The Group has also entered into negotiations in relation to the acquisition of eight further care homes situated in Cheltenham, Camberley, Sutton-in-Ashfield, Frinton, Thorne, Southport, Warrenpoint and Halifax for an aggregate amount of approximately £53.8 million (including costs). These acquisitions will, if they are all completed, introduce four new operating tenants to the Group's Property Portfolio. Although the Company has not entered into a legally binding contract in relation to any of these eight care homes, the Company expects to acquire or commit to acquire the majority of them by 30 June 2016.

The Investment Manager is also currently in early stage discussions and has commenced due diligence in respect of a number of further attractive acquisition opportunities in line with the Company's investment policy and the cost, in aggregate, of these would be £32.3 million.

Your Board is therefore proposing to raise circa £75 million of additional equity by means of an initial placing and offer for subscription and to put in place a 12 month, placing programme of up to 200 million New Shares which should allow the Investment Manager to complete the acquisition of the eight further care homes and to take advantage of these further acquisition opportunities. After taking into account the costs of acquisition, these acquisitions should enhance the performance of and further diversify the

Property Portfolio. However, they remain subject to the completion of satisfactory due diligence and the signing of legally binding agreements.

The Investment Manager has also identified a number of attractive development opportunities in locations (for example in the South East of England) which, once complete, would represent attractive investment opportunities for the Company with return profiles consistent with its existing assets. The Company is therefore proposing to extend its investment policy to include the investment in limited, non speculative development assets, which when completed would fall within the Company's investment policy, by means of the forward funding of developments as well as forward commitments.

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 amend the Company's investment policy and to allot New Shares on a non pre-emptive basis pursuant to the Initial Placing, Offer and Placing Programme. The General Meeting will be held at 12 noon on 6 May 2016 at 16 Charlotte Square, Edinburgh EH2 4DF.

Benefits of the Proposals

The Board believes that the Initial Placing, Offer for Subscription and the Placing Programme will have the following benefits for Shareholders and for the Company:

- they are expected to provide additional capital which should enable the Company to take advantage of 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 Placing and Offer should assist in matching the capital requirements of the Company to the investment opportunities identified;
- the average net initial yield on the identified pipeline opportunities is expected to be approximately 7 per cent. The new investments should therefore enhance the Company's income focus as well as providing further asset and income diversification for Shareholders;
- they are expected to 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; and
- they are expected to diversify further the shareholder register, potentially enhancing liquidity in the Company's Shares.

The Property Portfolio and investment performance

The Investment Manager has since the launch of the Company, focused on investing in modern purpose built care homes across the UK and, as at the date of this document, the Property Portfolio comprises 33 UK purpose built care homes with a market value as at 31 March 2016 of approximately £184 million. These properties are let to 11 distinct operating groups for an aggregate rent of approximately £13.6 million which represents an EPRA net initial yield of 7 per cent. The average weighted lease length of the Property Portfolio is 28.6 years. The rents payable under the majority of the leases are subject to an annual uplift in line with the retail prices index subject to caps and collars or an annual fixed uplift and there are two leases where the rent is determined by reference to the EBITDA of the care home operation.

The Group has also entered into a forward commitment to buy the Tonbridge Care Home for approximately £12.5 million (including costs) once it is completed in August 2016. The Group has also exchanged contracts to acquire the Bricket Wood Care Home. The Group had provided the operating tenant of the Bricket Wood Care Home, HSN Care Limited, with a short term loan facility to fund the acquisition of the land and the refurbishment of the property. At completion this loan is due to be repaid in full along with accrued interest. The Group has also entered into a forward commitment in relation to the refurbishment of the Tipton Court Care Home amounting to approximately £2 million and a deferred consideration arrangement in relation to the Sutton Care Home for approximately £0.4 million.

Gearing policy

The Group currently has a £50 million Bank Facility, repayable on 23 June 2019, comprising a term loan facility of £30 million and a revolving credit facility of £20 million of which £31.5 million has been drawn down. This represents a loan-to-value ratio of 17.1 per cent. calculated as total gross debt excluding cash (on the basis that the Group expects to invest the majority of its current cash balance in new care homes) as a proportion of gross Market Value of the Property Portfolio. This debt availability allows the Group to manage its capital structure in line with its stated intention that the long-term average loan-to-value ratio will be approximately 20 per cent., whilst providing capital to fund the completion of transactions which are currently in legal negotiations.

In the event that the full amount is drawn down under the Bank Facility, and this and all available cash is utilised to acquire assets, the Group's gearing would be expected to be approximately 23 per cent. of the Group's gross assets.

This is within the Group's stated gearing limit of 35 per cent. of gross assets and it remains the intention of the Board that, over the medium term, borrowings would represent approximately 20 per cent. of the Group's gross assets.

Interest is payable under the Bank Facility at a rate equal to 3 month LIBOR plus a margin of 2.0 per cent. per annum.

Dividends

Dividend policy

Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay an attractive level of dividend income to Shareholders on a quarterly basis. The dividends paid by the Company have been fully covered during periods when the Company has been fully invested and the Investment Manager seeks to execute transactions which are expected to assist in achieving a fully covered dividend.

Payment of dividends

The Company has declared a third interim dividend of 1.545 pence per Share for the quarter ending 31 March 2016 which will be paid on 27 May 2016 to the Company's existing Shareholders. The record date for this third interim dividend is 29 April 2016 and as such the holders of the New Shares issued pursuant to the Initial Placing and Offer will not be entitled to this third interim dividend. The Company has also paid two quarterly dividends each of 1.545 pence per Share in respect of the current financial year from 1 July 2015 to 30 June 2016 representing an annualised dividend of 6.18 pence per Share (assuming the payment of a fourth quarterly dividend of the same amount) and a dividend yield of 5.7 per cent. based on the 13 April 2016 closing price of 108.5 pence per Share.

The aggregate dividend paid in respect of the financial year to 30 June 2015 was 6.12 pence per Share.

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 pursuant to the Initial Placing, Offer and Placing Programme such New Shares will rank *pari passu* with the Ordinary Shares.

Details of the terms of the Proposals

The Initial Placing and Offer for Subscription

Under the Initial Placing and Offer, the Board is seeking to raise circa £75 million by issuing up to 71.5 million New Shares at the Initial Placing and Offer Price of 105 pence per New Share subject to Shareholder approval at the General Meeting. The Board will have the ability to increase the size of the Initial Placing and Offer up to a maximum of 100 million New Shares depending on the level of demand and taking into account the time it would be likely to take to invest the proceeds.

It is expected that in the event that the number of New Shares applied for under the Initial Placing and Offer would result in the Company receiving net proceeds which are significantly in excess of the size of the Initial Placing and Offer then it would be necessary to scale back such applications. In such event New Shares, will be allocated with a view to ensuring that existing Shareholders are allocated such percentage of New Shares as is as close as possible to their existing percentage holding of Ordinary Shares in order for them not to suffer any material dilution to their ownership of the Company.

The Placing Programme

Following the Initial Placing and Offer, the Directors intend to implement a 12 month Placing Programme. The Placing Programme will enable the Company to raise additional capital when it identifies properties that are suitable for acquisition. Under the Placing Programme, the Company is proposing to issue up to 200 million New Shares, less the number of New Shares issued under the Initial Placing and Offer. This should enable the Investment Manager to make a series of acquisitions over the 12 month period whilst also mitigating the risk of cash drag on Shareholders' funds.

Under the Proposals New Shares will only be issued to new and existing Shareholders at a premium to the prevailing Net Asset Value per Share at the time of issue.

The Prospectus

The Company has also today published the Prospectus in relation to the admission of up to 200 million New Shares pursuant to the Initial Placing, the Offer and the Placing Programme. The Prospectus which accompanies this document, contains full details of the proposed Initial Placing, Offer and Placing Programme.

The proposed amendments to the Company's investment policy

The Company remains focused on selectively securing further assets at the right price. To give greater flexibility to execute this objective and in the light of appealing opportunities in the market, the Company is proposing to extend its investment policy to include the investment in assets which require development or are under development and which when completed would fall within the Company's investment policy, including by means of limited, non speculative, forward funding of developments, in addition to its existing ability to make forward commitments to purchase completed developments. In a forward funding arrangement, the Company would be exposed to an element of development risk. If the developer wasn't able to complete the development, the Company would then have to appoint another developer or undertake the development itself which may lead to unforecasted costs and/or delays in investing the proceeds of the Issues.

However, the Company will not undertake speculative development, (being where there is no lease arrangement in place in respect of the majority of the asset). In addition, the gross budgeted development costs to the Group of all such developments, including forward funding and forward commitments, will not exceed 25 per cent. of the Group's gross assets at the commencement of the relevant development. Any development will only be for investment purposes and will not amount to a trading activity. In this context, development means any wholesale development or redevelopment or any material refurbishment relating to more than 50 per cent. of the gross internal area of the relevant asset.

Furthermore, as part of the Company's gearing policy, the Board has previously stated that the intention is for borrowings not to exceed 20 per cent. of the Group's gross assets and in any event that they may not exceed 35 per cent. of gross assets. It is likely that the Group's borrowings would exceed 20 per cent. from time to time as further borrowings are proposed to finance the growth of the Property Portfolio. However, it remains the intention of the Board that over the medium term the Group's borrowings will represent approximately 20 per cent. of its gross assets. It is therefore proposed that the wording of the Company's gearing policy is amended in order to reflect the current intentions of the Company.

The Board is also proposing to increase the limit in relation to the other healthcare assets in which the Company may invest from 10 per cent. to 15 per cent. in order to provide further flexibility to the Company.

These proposed changes are considered to be a material change to the Company's published investment policy. Therefore, in accordance with Listing Rule 15.4.8R, the Company has obtained the prior approval of the Financial Conduct Authority to the changes to the Company's investment policy. The change to the investment policy is subject to the prior approval by Shareholders at the General Meeting. The full text of the Company's new proposed investment policy is set out in the Appendix to this letter.

General Meeting

The Proposals are subject to Shareholder approval. A notice convening a General Meeting of the Company, which is to be held at 12 noon on 6 May 2016 at the offices of Dickson Minto W.S., 16 Charlotte Square, Edinburgh EH2 4DF, is set out at the end of this document. The following items of business will be proposed at the General Meeting.

Resolution 1

Resolution 1, if passed, will approve the adoption of the amended investment policy and will be proposed as an ordinary resolution that requires to be passed by a simple majority of votes cast at the General Meeting.

Resolution 2

Resolution 2, if passed, will enable the Directors to allot up to 100 million New Shares pursuant to the Initial Placing, Offer for Subscription and Placing Programme, without first having to offer them to existing Shareholders in proportion to their existing holdings. This represents approximately 58 per cent. of the Company's total issued share capital, as at 15 April 2016. Resolution 2 will be proposed as a special resolution that requires to be passed by a three-quarters majority of votes cast at the General Meeting.

Resolution 3

Resolution 3, if passed, will enable the Directors (in addition to the authorities granted, if they are granted, under Resolution 2) to allot up to 100 million New Shares pursuant to the Placing Programme without first having to offer them to existing Shareholders in proportion to their existing holdings. This represents approximately 58 per cent. of the Company's total issued share capital as at 15 April 2016. Resolution 3 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 (Jersey) Limited, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and in any event no later than 12 noon on 4 May 2016. 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 Resolutions 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 Resolutions. The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings of Shares (amounting to 120,000 Ordinary Shares, representing approximately 0.07 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:

Bank	The Royal Bank of Scotland plc, a company incorporated in Scotland with registered number SC090312
Bank Facility	the £50 million loan facility provided to the Property Subsidiary by the Bank pursuant to the facility agreement dated 23 June 2014 which was amended on 1 April 2016
Board or Directors	the board of directors of the Company and Director means any one of them
Bricket Wood Care Home	the care home situated at The Kestrels, Bricket Wood, St Albans
Company	Target Healthcare REIT Limited, a company registered in Jersey, Channel Islands with registered number 112287, whose registered office is at Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW
development	any wholesale development or redevelopment or any material refurbishment relating to more than 50 per cent. of the gross internal area of the relevant asset
Form of Proxy	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting
General Meeting	the general meeting of the Company convened at 12 noon on 6 May 2016 or any adjournment thereof, notice of which is set out at the end of this document
Group	the Company and each of its direct and indirect subsidiaries from time to time or any one or more of them, as the context may require
Initial Placing	the conditional placing of New Shares at the Initial Placing and Offer Price, the terms of which are set out in the Prospectus
Initial Placing and Offer Price	105 pence per New Share
Investment Manager or Target Advisers	Target Advisers LLP, a limited partnership incorporated in Scotland with registered number SO302708
Listing Rules	the rules and regulations made by the Financial Conduct Authority under Part VI of FSMA
Net Asset Value or NAV	the aggregate value of all assets less all liabilities of the Company calculated on the basis of the Company's normal accounting policies
Net Asset Value per Share	the Net Asset Value of a Share on the relevant date calculated on the basis of the Company's normal accounting policies
New Shares	the new Ordinary Shares to be issued by the Company pursuant to the Proposals

Market Value	the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably prudently and without compulsion
Offer	the offer for subscription of New Shares the terms of which are set out in the Prospectus
Ordinary Share or Share	an ordinary share of no par value in the capital of the Company
Placing Programme	the proposed programme of placings of up to 200 million New Shares (less any New Shares issued under the Initial Placing and Offer) the terms of which are set out in the Prospectus
Property Portfolio	the Group's current property portfolio of 33 healthcare homes in the UK
Proposals	the proposals for the change of investment policy and for the Board to issue up to 200 million New Shares under the Initial Placing and Offer and subsequent Placing Programme, as described in this document, including the Resolutions to be proposed at the General Meeting
Prospectus	the prospectus published by the Company dated 18 April 2016 in relation to the Initial Placing, Offer and Placing Programme
Resolutions	the resolutions to be proposed at the General Meeting to adopt the new investment policy and issue up to 200 million New Shares on a non pre-emptive basis
Shareholders	holders of Shares in the Company
speculative development	any development where the completed asset is not subject to any lease arrangement (including a rental guarantee) in respect of the majority of the asset
Sutton Care Home	the care home at Sutton Hall and Lodge in Sutton in Craven which, as at 31 March 2016, has a Market Value of approximately £3.01 million
Tapton Court Care Home	the care home at Tapton Court in Sheffield which, as at 31 March 2016, has a Market Value of approximately £1.55 million and is currently undergoing refurbishment works
Tonbridge Care Home	the purpose built care home in Tonbridge Kent which is expected to be completed in August 2016 and for which the Group has entered into a forward commitment arrangement

APPENDIX

PROPOSED NEW INVESTMENT POLICY

Investment objective

The Company's investment objective is to provide Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified portfolio of freehold and long leasehold care homes and other healthcare assets in the UK.

Investment policy

The Company pursues its objective by investing in a portfolio of care homes, predominantly in the UK, that are let to care home operators on full repairing and insuring leases that are subject to annual uplifts based on increases in the UK retail prices index (subject to caps and collars) or fixed uplifts. The Company is also able to generate up to 15 per cent. of its gross income, in any financial year, from non-rental revenue or profit related payments from care home operators under management contracts in addition to the rental income due under full repairing and insuring leases.

In order to spread risk and diversify its portfolio, the Company is also permitted to invest up to: (i) 15 per cent. of its gross assets, at the time of investment, in other healthcare assets, such as properties which accommodate GP practices and other healthcare related services including occupational health and physiotherapy practices, pharmacies, special care schools and hospitals; and (ii) 25 per cent. of its gross assets, at the time of investment, in indirect property investment funds (including joint ventures) with a similar investment policy to that of the Company. The Directors have no current intention to acquire other healthcare assets or indirect property investment funds. The Company may also acquire or establish companies, funds or other SPVs which themselves own assets falling within the Company's investment policy.

The Company may either invest in assets that require development or that are under development, which when completed would fall within the Company's investment policy to invest in UK care homes and other healthcare assets, including by means of the forward funding of developments and forward commitments to purchase completed developments, provided that the Company will not undertake speculative development and that the gross budgeted development costs to the Group of all such developments, including forward funding and forward commitments, does not exceed 25 per cent. of the Group's gross assets on the commencement of the relevant development. Any development will only be for investment purposes.

In order to manage risk in the portfolio, at the time of investment, no single asset shall exceed in value 20 per cent. of the Company's gross asset value and in any financial year beginning after the Company is fully invested, the rent received from a single tenant or tenants within the same group (other than from central or local government, or primary health trusts) is not expected to exceed 30 per cent. of the total income of the Company, at the time of investment.

The Company will not acquire any asset or enter into any lease or related agreement if that would result in a breach of the conditions applying to the Company's REIT status.

The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

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 currently intends that over the medium term borrowings of the Group will represent approximately 20 per cent. of the Group's gross assets at the time of drawdown. However, it is expected that Group borrowings will exceed this level from time to time as borrowings are incurred to finance the growth of the Group's Property Portfolio.

Any material change to the investment policy will require the prior approval of Shareholders.

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 the offices of Dickson Minto W.S., 16 Charlotte Square, Edinburgh EH2 4DF at 12 noon on 6 May 2016 to consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTION

Adoption of proposed new investment policy

1. THAT the proposed investment policy set out in the circular to the shareholders of the Company dated 18 April 2016, a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification (the “Circular”), be and is hereby adopted as the investment policy of the Company to the exclusion of all previous investment policies of the Company.

SPECIAL RESOLUTIONS

Authority to allot Ordinary Shares without rights of pre-emption

2. THAT, in addition to any existing power and authority granted to the Directors, the Directors 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 Ordinary 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 100 million Ordinary Shares in connection with the Initial Placing, Offer for Subscription and Placing Programme as set out in the Circular (representing, as at 15 April 2016, approximately 58 per cent. of the issued share capital of the Company).
3. THAT, in addition to any existing power and authority granted to the Directors including in addition to any such authority as may be granted pursuant to Resolution 2 above, the Directors 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 Ordinary 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 equity securities 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 100 million Ordinary Shares in connection with the Placing Programme as set out in the Circular (representing, as at 15 April 2016, approximately 58 per cent. of the issued share capital of the Company).

By order of the Board

R&H Fund Services Limited
Company Secretary

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

18 April 2016

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 (Jersey) Limited, 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 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 4 May 2016 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 3 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 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.targetthehealthcarereit.co.uk.
- (vii) As at 15 April 2016, being the last business day prior to the printing of this Notice, the Company's issued capital consisted of 172,180,851 Ordinary Shares carrying one vote for every share held. Therefore, the total voting rights in the Company as at 15 April 2016 are 172,180,851 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.