

URBAN LOGISTICS REIT PLC

(the "Company")

TERMS OF REFERENCE OF THE MANAGEMENT ENGAGEMENT COMMITTEE

ADOPTED BY RESOLUTION OF THE BOARD ON 4 MAY 2017

1 DEFINITIONS

1.1 In this document:

- (a) reference to the "**Committee**" shall mean the Management Engagement Committee;
- (b) reference to the "**Board**" shall mean the board of directors of the Company; and
- (c) reference to the "**Manager**" shall mean the investment manager of the Company from time to time.

2 MEMBERS

2.1 The initial members of the Committee for the time being shall be:

- (a) Nigel Rich (Committee Chairman);
- (b) Jonathan Gray; and
- (c) Bruce Anderson.

3 MEMBERSHIP

3.1 The Committee shall comprise all directors of the Company not associated with the Manager.

3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as representatives of the Manager, the Head of Human Resources and external advisers, as appropriate, may be invited to attend for all or part of any meeting as and when appropriate and necessary.

3.3 Appointments to the Committee shall be indefinite as long as any member remains a director of the Company or until such member resigns from his or her position as a member of the Committee.

3.4 The Board shall appoint one member of the Committee to act as the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

3.5 Each member of the Committee shall disclose to the Committee:

3.5.1 any personal financial or other interest in any matter to be decided by the Committee;
or

3.5.2 any potential conflict of interest arising from a cross-directorship or otherwise; and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

4 SECRETARY

The company secretary or their nominee shall act as the secretary of the Committee.

5 QUORUM

5.1 The quorum necessary for the transaction of business shall be any two (2) members of the Committee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5.2 Members may participate in a meeting of the Committee by means of a telephone or other communication equipment.

5.3 Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all the members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

6 FREQUENCY OF MEETINGS

The Committee shall meet at least once a year at appropriate times in the Company's reporting and audit cycle and otherwise as required at the discretion of the Committee Chairman or at the request of any of its members.

7 NOTICE OF MEETINGS

7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. The company secretary, or his or her nominee shall ensure that supporting information and papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

8 MINUTES OF MEETINGS

- 8.1** The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 8.2** The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3** Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board, unless it would be inappropriate to do so.

9 ANNUAL GENERAL MEETING

The Chairman of the Committee should attend the Annual General Meeting ("**AGM**") prepared to respond to any shareholder questions on the Committee's activities.

10 DUTIES

- 10.1** The Committee should carry out the duties below for the Company, major subsidiary undertakings (if any) and the group as a whole (if a group is in existence), as appropriate.

10.2 Management Engagement

10.2.1 The management engagement terms on which the Manager is engaged shall be reviewed by the Committee annually, prior to the annual results announcement being released.

10.2.2 The Committee shall:

10.2.2.1 monitor compliance by the Manager with the terms of the investment management agreement (the "**Investment Management Agreement**");

10.2.2.2 review, and make a recommendation to the Board with respect to any proposed amendment to the relationship agreement(s) entered into between the Company, Canaccord Genuity Ltd and Pacific Capital Partners Limited;

10.2.2.3 reasonably satisfy itself that the Investment Management Agreement and structure is fair and that the terms remain competitive and sensible for shareholders;

10.2.2.4 reasonably satisfy itself that systems put in place by the Manager, in respect of the Company are adequate to meet relevant legal and regulatory requirements;

10.2.2.5 reasonably satisfy itself that matters of compliance are under proper review;

- 10.2.2.6 regularly review the composition (including skills, knowledge and experience) of the key executives performing the services on behalf of the Manager and consider whether the continuing appointment of the Manager, on the terms of the investment management agreement is in the interests of shareholders as a whole, and make recommendations to the Board hereon together with a statement of the reasons for their view;
- 10.2.2.7 review, evaluate and approve (as applicable) the performance and remuneration of the Manager;
- 10.2.2.8 consider the merit of obtaining, on a regular basis, an independent appraisal of the Manager's services;
- 10.2.2.9 consider the appointment or re-appointment of the Manager and the level of fees and make recommendations to the Board thereon;
- 10.2.2.10 review with the Manager any material issues arising from their work that the Manager wishes to bring to the attention of the Committee, whether privately or otherwise;
- 10.2.2.11 monitor compliance by providers of other services to the Company with the terms of their respective agreements from time to time and review and recommend reappointment;
- 10.2.2.12 review and consider the (re)appointment and remuneration of providers of services to the Company.

11 REPORTING RESPONSIBILITIES

- 11.1 The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall compile a report to the shareholders on its activities to be included in the Company's annual report.

12 OTHER MATTERS

12.1.1 The Committee shall:

- 12.1.1.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;

12.1.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;

12.1.1.3 oversee any investigation of activities which are within its terms of reference;

12.1.1.4 at all times give due consideration to the provisions and recommendations in the Quoted Companies Alliance ("**QCA**") Corporate Governance Code for Small and Mid-size Quoted Companies, the QCA's Remuneration Committee Guide for Smaller Quoted Companies and the requirements of the AIM Rules for Companies (including the Note for Investing Companies), the Disclosure and Transparency Rules and any other Applicable Laws, as well as guidance published by the Association of British Insurers and the National Association of Pension Funds, as appropriate; and

12.1.1.5 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13 AUTHORITY

13.1 The Committee is authorised:

13.1.1 to seek any information it requires from any representative of the Manager, any employee or officer of the Company, the company secretary and administrator of the Company in order to perform its duties;

13.1.2 to obtain, at a reasonable cost and at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;

13.1.3 to call any representative of the Manager, any employee or officer of the Company, the company secretary and administrator of the Company to be questioned at a meeting of the Committee as and when required; and

13.1.4 to have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.