

URBAN LOGISTICS REIT PLC

(the "Company")

TERMS OF REFERENCE OF THE

ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG") COMMITTEE

ADOPTED BY RESOLUTION OF THE BOARD ON 12 NOVEMBER 2021

1 DEFINITIONS

In this document: -

- (a) reference to the "**Board**" shall mean the board of directors of the Company;
- (b) reference to the "**Chairman**" shall mean the chairman of the Board;
- (c) reference to the "**Committee**" shall mean the ESG Committee of the Board;
- (d) reference to the "**Manager**" shall mean the investment manager of the Company from time to time;
- (e) reference to the "**Committee Chairman**" shall mean the member appointed as the chairman of the Committee;
- (f) reference to the "**Secretary**" shall mean the secretary of the Committee;
- (g) reference to the "**Market Abuse Regulation**" shall mean the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council on 16 April 2014 on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), as amended by domestic law from time to time;
- (h) reference to the "**Prospectus Regulation**" shall mean the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the EUWA, as amended by domestic law from time to time; and
- (i) reference to the "**AIFMD**" shall mean the UK version of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision which is part of UK law by virtue of the EUWA, as amended in the UK from time to time.

2 MEMBERS

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

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

3 MEMBERSHIP

- 3.1 The Committee shall be made up of at least three members. A majority of the members of the Committee shall be independent non-executive directors.
- 3.2 Only members of the Committee have the right to attend Committee meetings. However, representatives of the Company and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 3.3 Appointments to the Committee are made by the Board and 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 the Committee Chairman who should 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 from those who would qualify under these terms of reference to be appointed to that position by the Board.

4 SECRETARY

- 4.1 The Company Secretary or his or her nominee shall act as the Secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all issues.
- 4.2 The Committee shall have access to the services of the secretary of the Company on all Committee matters, including: assisting the Committee Chairman in planning the Committee's work, drafting meeting agendas, maintaining minutes, drafting of material about its activities for the annual report and interim reports, collection and distribution of information and provision of any necessary practical support.

5 MEETINGS AND QUORUM

- 5.1 The quorum necessary for the transaction of business shall be two (2) Committee members both of whom must be independent non-executive directors. 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 conference telephone or other communication equipment.

- 5.3 Any matter 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. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Any action of the Committee may also be taken by an instrument or instruments in writing (including via email or other electronic means) signed (including via the use of electronic signatures) by all of 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 the votes cast at a meeting of the Committee called for such purpose.
- 5.4 Except where he or she has a personal interest, the Committee Chairman shall have a casting vote.

6 FREQUENCY OF MEETINGS

The Committee shall meet at least once a year and otherwise as required.

7 NOTICE OF MEETINGS

- 7.1 Meetings of the Committee shall be called by the Secretary at the request of any of its members.
- 7.2 Unless otherwise agreed by consent of all members, 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 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 in the opinion of the Committee Chairman it would be inappropriate to do so.
- 8.4 A resolution in writing or via email and signed or otherwise approved via electronic signature by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

9 SHAREHOLDER ENGAGEMENT

The Committee Chairman should attend the Company's Annual General Meeting ("**AGM**") or any general meeting relating to their area of responsibility 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.

10.1.1 The Committee shall:

- 10.1.1.1 Advise on and recommend to the Board its ESG policy, and ensure this remains up to date with the Board's strategic objective regarding ESG, which is to achieve high governance standards, and to benchmark against its main competitors, but not seek to be a pioneer or market leader, in the environmental and social components of ESG;
- 10.1.1.2 Propose targets and KPIs to achieve the Board's policy objectives, and to monitor progress;
- 10.1.1.3 Scrutinise the Manager's progress in addressing the Board's ESG priorities and targets;
- 10.1.1.4 Oversee compliance with legal and regulatory requirements relevant to sustainability, including corporate governance principles and standards as appropriate;
- 10.1.1.5 Advise the Audit Committee on specific risks relating to ESG, for consideration within the Company's risk register;
- 10.1.1.6 Ensure that stakeholders receive appropriate information about the Company's ESG activities and performance, and monitor the impact of the approach with key stakeholders;
- 10.1.1.7 Monitor the Company's approach and performance in relation to competitors, relevant benchmarks and regulator expectations;
- 10.1.1.8 Oversee ESG reporting within the Company's Annual Report and reporting to ESG Ratings Agencies as appropriate, ensuring adherence to reporting requirements;
- 10.1.1.9 work and liaise as necessary with all other Board committees;

11 REPORTING RESPONSIBILITIES

11.1 The Committee Chairman shall report formally to the Board on the Committee's 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, including its membership and frequency of and attendance at its meetings, to be included in the Company's annual report.

12 OTHER MATTERS

- 12.1 The Committee shall:

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

12.1.2 at all times give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the Listing Rules, the Prospectus Regulation Rules and the Disclosure Guidance and Transparency Rules (each as made by the FCA), the Prospectus Regulation, the AIFMD, the Market Abuse Regulation and any other applicable rules, as appropriate; and

12.1.3 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.

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 matters 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.