

URBAN LOGISTICS REIT PLC

(the "Company")

TERMS OF REFERENCE OF THE MANAGEMENT ENGAGEMENT COMMITTEE

ADOPTED BY RESOLUTION OF THE BOARD ON 12 NOVEMBER 2021

1 DEFINITIONS

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;
- (c) reference to the "**Manager**" shall mean the investment manager of the Company from time to time;
- (d) reference to the "**Committee Chairman**" shall mean the member appointed as the chairman of the Committee
- (e) reference to the "**Secretary**" shall mean the secretary of the Committee
- (f) 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;
- (g) 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
- (h) 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) Nigel Rich (Committee Chairman);

- (b) Jonathan Gray;
- (c) Bruce Anderson; and
- (d) Heather Hancock

3 MEMBERSHIP

3.1 The Committee shall comprise all directors of the Company not associated with the Manager. Any member who fails to remain independent will step down from the Committee.

3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as representatives of the Manager 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

4.1 The company secretary or their nominee shall act as the secretary of the Committee 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 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. 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 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.
- 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 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 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 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 (other than any director who is not independent of the Manager), unless 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 or 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.

10.2 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 and evaluate the Manager's performance and compliance by the Manager with the terms of 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 and PCP2 Limited;

10.2.2.3 reasonably satisfy itself that the investment management agreement 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 and performance (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. The review of any performance fee arrangements shall seek to ensure that the methodology does not encourage excessive risk and that it rewards demonstrably superior performance by the investment manager in managing the portfolio against the stated investment objective when compared to a suitable benchmark or peer group;
- 10.2.2.8 consider the merit of obtaining 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;

10.3 OTHER SERVICE PROVIDERS

- 10.3.1 review the performance and services provided by the Company's other service providers, monitor compliance by those providers with the terms of their respective agreements from time to time;
- 10.3.2 review and consider the (re)appointment and remuneration of providers of services to the Company.

11 REPORTING RESPONSIBILITIES

- 11.1 The Committee Chairman 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, including its membership and frequency of and attendance at its meetings, to be included in the Company's

annual report. The report should include all information requirements set out in the AIC Code of Corporate Governance (the "**Code**").

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 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;

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

12.1.1.5 work and liaise as necessary with all other Board committees; and

12.1.1.6 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.