

**URBAN LOGISTICS REIT PLC**

**(the "Company")**

**TERMS OF REFERENCE OF THE**

**ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG") COMMITTEE**

**ADOPTED BY RESOLUTION OF THE BOARD ON 6 MAY 2021**

**1 DEFINITIONS**

1.1 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; and
- (e) reference to the "**Committee Chairman**" shall mean the member appointed as the chairman of the Committee.

**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**

The Company Secretary or his or her nominee shall act as the secretary of the Committee.

#### **5 QUORUM**

The quorum necessary for the transaction of business shall be two (2) Committee members both of whom must be independent non-executive directors.

#### **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 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 in the opinion of the Committee Chairman it would be inappropriate to do so.

## **9 ANNUAL GENERAL MEETING**

The Committee Chairman 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.

10.1.1 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 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 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 laws and regulations, the provisions of and recommendations in the Quoted Companies Alliance ("**QCA**") Corporate Governance Code for Mid-size Quoted Companies, the requirements of the AIM Rules for Companies (including the Note for Investing Companies) and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules 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 employee of the Manager 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 the Manager 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.