

UK COMMERCIAL PROPERTY TRUST LIMITED

TERMS OF REFERENCE - MANAGEMENT ENGAGEMENT COMMITTEE

Approved 23rd March 2017

1. Constitution

The Management Engagement Committee (the "Committee") was constituted by resolution of the Board on 25 August 2006. A certified copy of the resolution is attached to these terms of reference.

2. Membership

2.1. Members of the Committee shall be appointed by the Board and shall be made up of at least three members, all of whom should be independent non-executive directors.

2.2. Unless otherwise determined by the Board, a director shall be deemed to be "independent" for the purposes of these terms of reference if he would be deemed to be "independent" under the AIC Code (endorsed by the Financial Reporting Council as consistent with the UK Corporate Governance Code).

2.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

2.4. Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods provided that the majority of the Committee members remain independent.

2.5. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or 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 their number to chair the meeting.

2.6. The first members of the Committee shall be all the directors of the Company, being the non-executive directors, with the exception of John Robertson (the "Members").

2.7. The first Chairman shall be Sandra Platts.

3. Secretary

The Company Secretary or its nominee shall act as the Secretary of the Committee.

4. Quorum

The quorum necessary for the transaction of business shall be two, 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. Meetings

The Members may convene the Committee, meet together for the despatch of business and otherwise regulate their meetings as they think fit.

6. Frequency of Meetings

The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.¹

7. Notice of Meetings

7.1. Meetings of the Committee shall be summoned by the Secretary of the Committee.

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. Supporting 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. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

9. Annual General Meeting

The Chairman of the Committee may attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

10. Duties

10.1. The Committee shall:

10.1.1. review the performance of the Investment Manager and the Investment Manager's and the Company's compliance with the Investment Management Agreement and recommend any action to be taken by the Company under such terms;

10.1.2. consider the statement to be made in the annual reports and accounts of the Company regarding the continued appointment of the Investment Manager, as required by the UKLA Listing Rules, and make a recommendation to the Board on such statement; and

10.1.3. consider the continuing ability of the Board to act independently of the Investment Manager, or any other substantial shareholder, and their

¹ The frequency and timing of meetings will differ according to the needs of the Company. Meetings should be organised so that attendance is maximised (for example by timetabling them to coincide with Board meetings).

associates for so long as they have or their associates have a substantial shareholding in the Company.

- 10.2. The Committee shall have no executive powers with regard to its findings and recommendations.
- 10.3. Review the performance of the Company's other professional service providers annually with the exception of the Company's Auditors and Property Valuers as these will be reviewed by the relevant Committees. This review will include the Administrator, Company Secretary and Registrar, the Guernsey and UK legal advisors, the LSE sponsor, the Corporate broker and the Marketing advisor.

11. Reporting Responsibilities

- 11.1. The Chairman of the Committee shall make a brief report of the findings and recommendations of the Committee to the Board after each Committee meeting. The minutes of the Committee meetings shall be circulated to the Board. The Chairman shall submit an annual report to the Board summarising the Committee's activities during the year and the related significant results and findings.
- 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 make a statement in the Company's annual report about its activities.

12. Other

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at a maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13. Authority

- 13.1. The Committee shall have the authority to investigate any matter within its terms of reference (and shall have the resources it needs to do so) and is authorised to seek any information it requires from any employee of the company in order to perform its duties.
- 13.2. The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference and to secure the attendance of outsiders with relevant expertise or experience as it considers necessary.

Addendum I**UKCPT - Management Engagement Committee Members**

	Established	Next review
Andrew Wilson	25/8/2006	16/8/2018
Ken McCullagh	06/02/2013	16/08/2018
Sandra Platts	12/12/2013	16/08/2018
Michael Ayre	24/02/2016	16/08/2018
Notes		

Addendum II**Resolution**

Extract of board meeting minute of 25 August 2006 held at 9.00am

Committees:

It was noted that it was proposed to establish two Board committees, the management engagement committee and the audit committee. It was also noted that the terms of reference of these committees would be considered later in the meeting after the Board had considered the statements proposed to be made in the Prospectus and the arrangements to be entered into in connection with the Company's relationship with Resolution and its group.

CERTIFIED TRUE COPYA handwritten signature in black ink, appearing to be 'SJA', is written over the text.

Authorised Signatory for
Northern Trust International
Fund Administration Services
(Guernsey) Limited