

UK COMMERCIAL PROPERTY REIT LIMITED (the "Company")

TERMS OF REFERENCE – NOMINATION AND REMUNERATION COMMITTEE

Approved 19 March 2020

1. Constitution

The Nomination and Remuneration Committee (the "Committee") was constituted by resolution of the Board on 21 June 2019.

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. In addition the Company Chair may also be a member of, but not chair, the committee if he or she was considered independent on appointment as Chair.
- 2.2. The chair of the Committee shall be appointed by the Board. In the absence of the chair of the Committee, the members present shall select one of their number present to chair the meeting.
- 2.3. 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).
- 2.4. 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.

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

- 5.1 The Members may convene the Committee, meet together for the despatch of business and otherwise regulate their meetings as they think fit.
- 5.2 Decisions of the Committee will be made by majority vote and recommendations will be put to the Board of Directors who will be responsible for making the decisions.

6. Frequency of Meetings

- 6.1. The Committee shall meet at such other times as the Chair of the Committee or the Board direct.
- 6.2. Meetings may be called by: the Board; the Chair of the Board acting for the Board; or by the Chair of the Committee.

7. Minutes of Meetings

- 7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chair of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

8. Annual General Meeting

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

9. Duties

- 9.1. The Committee should carry out the duties below for the Company, subsidiary undertakings (if any) and if relevant the group as a whole, as appropriate.
- 9.2. In respect of Remuneration Policy the Committee shall:
 - 9.2.1. in determining the remuneration policy, take into account all factors which the Committee deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the AIC Code (and relevant provisions of UK Corporate Governance Code and associated guidance). The objective of the policy shall be to attract, retain and motivate non-executive Directors of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals and having regard to the level of fees payable to non-executive Directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs;
 - 9.2.2. within the terms of the agreed policy and in consultation with the Chair, determine the total individual remuneration package of the Chair. The Board itself shall determine the remuneration of non-executive directors within the limits set in the agreed remuneration policy and the Company's articles of incorporation. No director or manager shall be involved in any decisions as to his or her own remuneration;
 - 9.2.3. obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration

consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board;

- 9.2.4. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
 - 9.2.5. agree the policy for authorising claims for expenses from directors; and
 - 9.2.6. work and liaise as necessary with all other Board committees.
- 9.3. In respect of Nomination Policy the Committee shall:
- 9.3.1. regularly review the structure, size and composition (including the skills, knowledge experience, independence and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
 - 9.3.2. give full consideration to succession planning for Directors, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future;
 - 9.3.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
 - 9.3.4. before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - (a) use open advertising or the services of external advisers to facilitate the search
 - (b) consider candidates from a wide range of backgrounds
 - (c) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position
 - 9.3.5. keep under review the leadership needs of the organisation, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
 - 9.3.6. keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
 - 9.3.7. ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
 - 9.3.8. the Committee shall also make recommendations to the Board concerning:

- 9.3.8.1 formulating plans for succession for Directors and in particular for the key roles of Chair
 - 9.3.8.2 the re-appointment of any non-executive Director at the conclusion of their specified term, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required
 - 9.3.8.3 the re-election by shareholders of any Director under the 'retirement by rotation' provisions in the company's articles of association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required
 - 9.3.8.4 any matters relating to the continuation of any Director at any time including the suspension or termination of service of an executive Director as an employee of the company subject to the provisions of the law and their service contract
- 9.4 The Senior Independent Director of the Board will hold exit interviews with Directors on retirement.

10. Reporting Responsibilities

- 10.1. Sufficient time should be allowed after committee meetings for the committee to report to the Board on the nature and content of discussion, on recommendations, and on actions to be taken. The Company Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, and to the Company Secretary unless it would be inappropriate to do so.
- 10.2. The Committee chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.3. The Committee shall ensure that provisions regarding disclosure of information required by the AIC Code of Corporate Governance (and thus the relevant provisions of the UK Corporate Governance Code) are fulfilled and produce reports to be included in the Company's annual report:
 - 10.3.1. on the Company's remuneration policy and practices and ensure each year that the remuneration report is put to shareholders for approval at the AGM. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any connection with the Company. The report should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has for implementing the policy and progress on achieving the objectives; and
 - 10.3.2. on the activities of the Committee in respect of the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has

any connection with the Company. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any connection with the Company;

10.3.3. how the board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence board composition.

10.4. The Committee shall make whatever recommendations to the Board that it deems appropriate on an area within its remit where action or improvement is needed.

10.5. Through the chair of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

11 Other

The Committee shall:

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

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

11.3 give due consideration to laws and regulations, the AIC Code and any published guidelines (and as such the relevant provisions of the UK Corporate Governance Code) any other published guidelines or recommendations regarding the remuneration of directors including but limited to the relevant provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules as well as guidelines published by the Investment Association and any other applicable rules, as appropriate; and

11.4 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.

12. Authority

12.1 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.

Addendum I**UK Commercial Property REIT Ltd – Nomination and Remuneration Committee Members**

	Appointed
Ken McCullagh	21 June 2019
Sandra Platts	21 June 2019
Michael Ayre	21 June 2019
Margaret Littlejohn	21 June 2019
Robert Fowlds	21 June 2019
Chris Fry	01 January 2020

As approved by Board Resolution 21 June 2019