

STANDARD LIFE INVESTMENTS PROPERTY INCOME TRUST LIMITED

TERMS OF REFERENCE - REMUNERATION COMMITTEE

1. Constitution

The Remuneration Committee (the "Committee") was constituted by resolution of the Board on 24 May 2011.

Membership

- 1.1 The Committee shall be made up of at least three members, appointed by the Board, the majority of whom should be independent non-executive Directors. The Chairman of the Board may also serve on the Committee as an additional member, but not chair, if he was considered independent on appointment as Chairman.
- 1.2 The Chairman of the Committee shall be appointed by the Board. In the absence of the Chairman of the Committee (and/or an appointed alternate member), the members present at any meeting of the Committee shall elect one of their number to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.
- 1.3 If any member of the Committee is unable to act for any reason, the Chairman of the Committee may appoint an additional independent non-executive director, of the Company, agreed by the members of the Committee to act as that member's alternate.

2. Secretary

The Company secretary or their nominee shall be the secretary of the Committee.

3. Meetings

- 3.1 The quorum necessary for meeting of the Committee shall be two 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.
- 3.2 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.
- 3.3 The Committee shall meet at least once a year (to be decided by the Board) and otherwise as the Chairman of the Committee shall require.
- 3.4 Unless otherwise agreed, notice of each meeting of the Committee confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate shall normally be forwarded to each member of the Committee and to each other person invited to attend, in advance of the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the Committee to all members of it and to arrange such meeting so that members are able to attend them.

4. Minutes of Meetings

- 4.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance;
- 4.2 After approval and signature by the Chairman of the Committee, shall circulate the minutes to all members of the Committee and to the Chairman of the Board. Once approved, minutes should be circulated to all other members of the Board, unless it would be inappropriate to do so.

5. Annual General Meeting

- 5.1 The Chairman of the Committee shall be available to answer questions about the Committee's activities at the annual general meeting of the Company. All members of the Committee shall also attend the Annual General Meeting.

6. Duties

- 6.1 Levels of remuneration for non-executive Directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive Directors should not include share options or other performance related elements.
- 6.2 Review and note annually the remuneration trends across the Sector.
- 6.3 Be exclusively responsible for establishing the selection criteria, selecting, appointing, and setting the terms of reference for any remuneration consultants (who may be required) who advise the Committee.
- 6.4 The Board itself shall determine the remuneration of the non-executive directors within the limits set in the Articles of Association (or as subsequently amended by Shareholder approval).
- 6.5 Shareholders should be invited specially to approve all new long-term incentive scheme (as defined in the UKLA Listing Rules) and significant changes to existing schemes, save in the circumstance permitted by the UKLA Listing Rules.
- 6.6 In determining remuneration policy, the Committee shall have regard to the UK Corporate Governance Code, the UKLA Listing Rules and all other relevant codes, laws and regulations.
- 6.7 Consider any other matters as referred to the Committee by the Board.
- 6.8 Review the ongoing appropriateness and relevance of the remuneration policy.
- 6.9 All expenses will be paid through payroll and will be taxed accordingly.

7. Reporting Procedures

- 7.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- 7.3 The Committee shall produce an annual report of the Company's remuneration policy, reporting in the annual report frequency of, and attendance by members at, Committee meetings and ensure that it is put to shareholder for approval at the Annual General Meeting.

8. Other

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

9. Authority

- 9.1 The Committee is authorised by the Board to seek information it requires from any member of the Company in order to perform its duties.
- 9.2 The Committee is authorised by the Board to investigate any activity within the scope of its duties.
- 9.3 The Committee is authorised by the Board to obtain inside and outside legal or other professional advice including the advice of independent remuneration consultants, as well as information about remuneration practices elsewhere, at the Company's expense.

10. Remuneration Policy

- 10.1 The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. It should also reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment companies investing in Real Estate.

