

# STANDARD LIFE INVESTMENTS PROPERTY INCOME TRUST LIMITED

## TERMS OF REFERENCE - PROPERTY VALUATION COMMITTEE

Approved 20 August 2013

### 1. Constitution

The Property Valuation Committee (the "Committee") was constituted by resolution of the Board on 1 December 2003. An extract of the board meeting minute is attached to these terms of reference.

#### Membership

- 1.1. Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least three members.
- 1.2. All members of the Committee shall be independent non-executive directors.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 1.4. The Board shall appoint 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.
- 1.5. The first members of the Committee shall be all the directors of the Company, who are non-executive directors of the Company (the "Members").
- 1.6. The first Chairman shall be David Moore.

### 2. Secretary

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

### 3. Quorum

The quorum necessary for the transaction of business shall be 2 members. 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.

### 4. Frequency of Meetings

- 4.1 The Committee shall meet quarterly and may otherwise convene the Committee, meet together for the despatch of business and otherwise regulate their meetings as they think fit.<sup>1</sup>

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<sup>1</sup> 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).

## **5. Notice of Meetings**

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 5.2. 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.

## **6. Minutes of Meetings**

- 6.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

## **7. Annual General Meeting**

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

## **8. Duties**

- 8.1. The Committee shall review the quarterly property valuation report produced by the Valuer (or such other person as may from time to time provide such property valuation services to the Company) before its submission to the Board, focussing in particular on:
  - 8.1.1. significant adjustments from the previous property valuation report;
  - 8.1.2. reviewing the individual valuations of each property;
  - 8.1.3. compliance with applicable standards and guidelines including those issued by the Royal Institution of Chartered Surveyors and the UKLA Listing Rules;
  - 8.1.4. reviewing the findings and any recommendations or statements made by the Valuer;
  - 8.1.5. considering any further matters relating to the valuation of the properties.

## **9. Reporting Responsibilities**

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.

**10. Authority**

- 10.1. The Committee is authorised to investigate any matter within its terms of reference (and shall have the resources which it needs to do so) and to seek any information it requires from any associate of the Company. The Committee is authorised to take such independent professional advice (including property and legal advice) and to secure the attendance of outsiders with relevant expertise or experience as it considers necessary.
- 10.2. The Committee shall have no executive powers with regard to its findings and recommendations.

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**ADDENDUM TO TERMS OF REFERENCE**

**Membership of Committee & Appointment Schedule**

<b>Members</b>	<b>Appointment Date</b>
Paul Orchard-Lisle (Chairman)	1 December 2003
Richard Barfield	1 December 2003
Shelagh Mason	1 December 2003
Susie Farnon	30 June 2010
Huw Evans	14 May 2013

**Establishment of the Committee**

Extract of board meeting minute of 1 December 2003 held at 4.30 p.m.

COMMITTEE OF THE BOARD: IT WAS ALSO AGREED that the Company should constitute a Property Valuation Committee to review the quarterly valuations of the Property Portfolio. The Chairman tabled terms of reference for each of these committees and IT WAS RESOLVED to establish an Audit Committee, a Management Engagement Committee and a Property Valuation Committee and to approve the terms of reference for these committees.

IT WAS RESOLVED that all the current Directors of the Company be appointed to the Property Valuation and Audit Committees and that all the current Directors of the Company be appointed to the Management Engagement Committee with the exception of Mr Barfield who was previously connected with the Standard Life group and who has chosen not to sit on the Management Engagement Committee. The Chairman noted that members of the Board other than himself might properly chair these committees and IT WAS AGREED to consider this at the first Board meeting after Admission.

Mr Barfield's previous employment with The Standard Life Assurance Company and Mr Moore's position as a partner of Ozannes, the Company's Guernsey legal advisers, were noted. IT WAS AGREED that, notwithstanding such matters, both Mr Barfield and Mr Moore were able to act independently of the Investment Manager and accordingly were independent Directors. It was noted that the UKLA had confirmed it was satisfied that Mr Barfield and Mr Moore were able to act without conflict and independently.