

## PICTON PROPERTY INCOME LIMITED

### TERMS OF REFERENCE - PROPERTY VALUATION COMMITTEE 22 January 2019

#### 1. Constitution

- 1.1. The Property Valuation Committee (the "Committee") was constituted by resolution of the Board on 5 January 2006. An extract of the resolution is attached to these terms of reference.
- 1.2. The Committee may amend the terms of reference at any time with the agreement of the Board and shall review the said terms annually.
- 1.3. The Committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board.

#### 2. Membership

- 2.1. Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least three members.
- 2.2. 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.
- 2.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for further three year periods, provided the director remains independent.
- 2.4. 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.
- 2.5. The first members of the Committee shall be all the directors of the Company, who are non-executive directors of the Company (the "Members").
- 2.6. The initial Chairman shall be Roger Lewis.

#### 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 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.



## 5. Frequency of Meetings

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>

## 6. Notice of Meetings

- 6.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 6.2. 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.

## 7. Minutes of Meetings

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

## 8. 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.

## 9. Duties

- 9.1. 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:
  - 9.1.1. significant adjustments from the previous property valuation report;
  - 9.1.2. reviewing the individual valuations of each property;
  - 9.1.3. to receive any commentary from the Picton Executive and/or Directors following the review meeting held with the Valuers;

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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).



- 9.1.4. to register and discuss with the Picton Executive any asset specific issues highlighted by the Valuers;
  - 9.1.5. to review material, unexplained, movements in the Company's Net Asset Value and to recommend the release of the Net Asset Value announcement following that review;
  - 9.1.6. compliance with applicable standards and guidelines including those issued by the Royal Institution of Chartered Surveyors and the UKLA Listing Rules;
  - 9.1.7. reviewing the findings and any recommendations or statements made by the Valuer;
  - 9.1.8. to review the external valuers performance annually, and to consider and make recommendations to the Board, in relation to the appointment, remuneration, re-appointment and removal of the company's external valuers every 3 years. The Committee shall oversee the selection process for new valuers and if a valuer resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
  - 9.1.9. considering any further matters relating to the valuation of the properties.
- 9.2. At least once a year the committee shall review its own performance, 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.

## **10. 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.

## **11. Authority**

- 11.1. 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.
- 11.2. The Committee shall have no executive powers with regard to its findings and recommendations.

### **PICTON PROPERTY INCOME LIMITED**

#### **TERMS OF REFERENCE – PROPERTY VALUATION COMMITTEE ADDENDUM TO TERMS OF REFERENCE**



**Members of Committee & Appointment Schedule**

Members	Appointment Date	Appointment Renewed	Next Appointment Renewal
Roger Lewis (Chairman)	22 April 2010	4 Nov 2017	4 Nov 2020
Nicholas Thompson	5 January 2006	4 Nov 2017	4 Nov 2020
Mark Batten	22 January 2018	N/A	22 January 2021
Maria Bentley	1 October 2018	N/A	1 October 2021

