

Phoenix Spree Deutschland Limited

ESG Committee

Terms of Reference

Latest Update:

7 March 2023

(readopted)

Terms of Reference of the ESG Committee (the "Committee")

1 Membership

- 1.1 Members shall be appointed by the Board on the recommendation of the Nomination Committee or otherwise in consultation with the Chair of the Committee.
- 1.2 The Committee shall be made up of three non-executive Directors, a majority of the whom shall be independent.
- 1.3 The chairman of the Company may only be a Member provided that he or she was considered independent on appointment as chairman of the Company.
- 1.4 Only Members shall have the right to attend Committee meetings. However, other individuals, such as representatives of the Property Advisor may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by the Committee.

2 Chair

- 2.1 The Board shall appoint the Chair of the Committee. The Chair has the responsibility of liaising with the Board.
- 2.2 The Chair shall chair the meetings of the Committee unless the Chair is UK resident and unable to travel to Jersey for meetings then a Jersey resident member may be appointed chair for that meeting.
- 2.3 In the absence of the Chair, the remaining Members present shall elect one of themselves to chair the meetings of the Committee.

3 Secretary

- 3.1 The Company Secretary (or his/her delegate) or such other person as the Board may determine from time to time shall be the secretary of the Committee.
- 3.2 The secretary of the Committee or his/her delegate shall attend meetings of the Committee to take minutes.
- 3.3 In the absence of the secretary of the Committee, the Members present at a meeting of the Committee shall elect another person to act as the secretary for the purposes of that meeting.

4 Quorum

- 4.1 The quorum necessary for the transaction of business of the Committee shall be two Members.
- 4.2 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant Member shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Committee in which he/she and/or his/her associates have a material interest.

- 4.3 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

- 5.1 The Committee shall meet at least two times a year and otherwise as required.
- 5.2 Any Member may request a meeting if they consider that one is necessary.
- 5.3 Outside of the formal meeting programme, the Chair will maintain dialogue with key individuals involved in the Company's governance, such as the chairman of the Board.

6 Attendance at meetings

- 6.1 Members may attend meetings of the Committee either in person or through telephonic and/or electronic means of communication. Such a meeting of Members shall only be validly convened if the majority of the Members participating are located outside the United Kingdom. Such a meeting shall be deemed to take place where the Chair of the meeting then is located provided that no meeting can take place in the United Kingdom
- 6.2 Should any Member wish to attend a meeting through telephonic and/or electronic communications, prior arrangements shall be made with the secretary of the Committee.

7 Notice of meetings

- 7.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its Members or at the request of the Chairman.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each Member, and to any other person required to attend, within a reasonable time prior to the date of the meeting.
- 7.3 An agenda of items to be discussed shall be forwarded to the Chair of the Committee in the first instance unless otherwise agreed by the Chair of the Committee, then circulated to each member of the Committee and any other person required to attend within a reasonable time prior to the date of the meeting. Supporting papers shall be sent to Members and to other attendees as appropriate, at the same time.
- 7.4 Any Member shall be entitled, by notice to the secretary of the Committee, to include other matters relevant to the functions of the Committee in the agenda of a Committee meeting.
- 7.5 All meeting of the Committee shall be held outside the United Kingdom.

8 Minutes of meetings

- 8.1 The secretary of the Committee (or his/her delegate) in attendance at the meetings of the Committee shall minute in sufficient detail all proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any Member and/or dissenting views expressed.

- 8.2 Draft minutes of the Committee meetings shall be circulated to the Chair of the Committee for review and comment prior to circulation to the wider Committee within a reasonable time after the meeting with a final draft tabled at the next appropriate Committee meeting for approval and at the Board meeting for information purposes, unless it is considered inappropriate to do so by the Chairman.
- 8.3 Minutes of the Committee meetings shall be kept by the secretary of the Committee and shall be available for inspection by any Member or Director at any reasonable time on reasonable notice.

9 Duties

- 9.1 The Committee shall be responsible for performing the duties below for the Group.
- 9.2 The responsibilities of the Committee will be to:
- 9.2.1 define the Company's corporate and social obligations as a responsible citizen and oversee its conduct in the context of those obligations;
 - 9.2.2 approve a strategy for discharging the Company's corporate and social responsibilities;
 - 9.2.3 identify and monitor those external developments which are likely to have a significant influence on the Company's reputation and/or its ability to conduct its business appropriately as a good citizen and review how best to protect that reputation or that ability;
 - 9.2.4 oversee the creation of appropriate policies and supporting measures;
 - 9.2.5 ensure that appropriate communications policies are in place and working effectively to build and protect the Company's reputation both internally and externally;
 - 9.2.6 ensure that all related policies are regularly reviewed and updated and remain in compliance with any relevant national and international regulations;
 - 9.2.7 monitor compliance with ESG policies;
 - 9.2.8 decide upon which environmental guidelines to follow and report against. The Audit Committee will oversee how this is reported upon in the annual report and account;
 - 9.2.9 ensure that the activities of the Company are regulated such that, consistent with sustainable business and development, they are conducted in a socially responsible manner and have a positive impact on society; and
 - 9.2.10 obtain periodic verification from the Property Advisor that it has acted in accordance with its CR policies and that these are still aligned with the Company's.
 - 9.2.11 where the Property Advisor has outsourced any key functions to other business partners, ensure that the relevant policies are shared with them and obtain periodic verification that they have acted within the spirit of these relevant policies.

10 Narrative reporting

Where requested by the Board, the Committee shall review and provide advice on whether the content of the ESG report, as contained in the Company's annual report, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

11 Reporting responsibilities

- 11.1 The Chairman shall report formally to the Board after each meeting on all matters within its duties and responsibilities.
- 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 produce a report of its activities and the Company's ESG strategy to be included in the Company's annual report.
- 11.4 The Committee Chair shall seek shareholder engagement on matters within the scope of the Committee's responsibilities including attending the Annual General Meeting of the Company (ideally in person but, if not possible, by phone) to answer any shareholder questions on the Committee's activities.

12 Other matters

- 12.1 The Committee shall have access to sufficient resources in order to carry out its functions and discharge its duties. In the event that the Committee determines that it has insufficient resources, it may make a request to the Board. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
- 12.2 All Members shall have access to the advice and services of the secretary of the Committee with a view to ensuring that procedures of the Committee and all applicable rules and regulations are followed.
- 12.3 The Committee shall 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.
- 12.4 Every Member shall give sufficient time and attention to his/her duties as a Member. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 12.5 The Committee shall, at least once a year, 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.
- 12.6 The Committee shall give due consideration to laws and regulations relevant to the Company, in particular the Companies (Jersey) Law 1991 (as amended), the provisions of the AIC Code and the Financial Conduct Authority's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate..
- 12.7 The Committee shall work and liaise as necessary with all other Board committees.

13 Authority

- 13.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any Director and all Directors are directed to co-operate with any reasonable request made by the Committee.
- 13.2 The Committee is authorised to obtain, at the Company's expense, independent, legal and accounting or other professional advice on any matter if it believes it necessary to do so.
- 13.3 The Committee has the authority to call any Director or adviser to be questioned at a meeting of the Committee as and when required.
- 13.4 The Committee has the right to publish in the Company's Annual Report details of any issues that cannot be resolved between the Committee and the Board.

Definitions

In these Terms of Reference, unless the context requires otherwise, the following definitions shall apply:

"AIC Code" means the Association of Investment Companies Code of Corporate Governance

"Board" means the Board of Directors of the Company

"Chairman" means chairman of the Committee from time to time

"Company" means Phoenix Spree Deutschland Limited

"Company Secretary" means the company secretary of the Company from time to time

"Directors" means the directors of the Company from time to time

"Group" means the Company and its subsidiaries from time to time

"Member" means member of the Committee from time to time

"Property Advisor" means the property advisor to the Company from time to time

"Shareholders" means the shareholders of the Company