

## **Terms of Reference of the Property Valuation Committee**

**Phoenix Spree Deutschland Limited**

## **Terms of Reference of the Property Valuation Committee (the "Committee")**

### **1 Membership**

- 1.1 Members of the Committee shall be appointed by the Board in consultation with the Chairman of the Committee. The Committee shall be made up of a minimum of two members from amongst the independent non-executive Directors of the Company.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as representatives from the Property Advisor may be invited to attend all or part of any meeting as and when appropriate.

### **2 Chairman**

- 2.1 The Board shall appoint the chairman of the Committee who shall be an independent non-executive director.
- 2.2 In the absence of the chairman of the Committee and/or an appointed deputy, 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 the 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, each of whom shall be an independent non-executive Director.
- 4.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee 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 twice a year and at such other times as the chairman of the Committee shall require.
- 5.2 Any member of the Committee may request a meeting if he/she considers that one is necessary.

## **6 Attendance at meetings**

- 6.1 Members of the Committee may attend meetings of the Committee either in person or through other telephonic and/or electronic means of communication.
- 6.2 Should any member of the Committee wish to attend a meeting through telephonic and/or electronic communications, prior arrangements shall be made with the secretary of the Committee.
- 6.3 Other than members of the Committee, the Property Advisor and external adviser may be invited to attend all or any part of any meeting as and when appropriate.

## **7 Notice of meetings**

- 7.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members or at the request of the chairman of the Committee.
- 7.2 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, and to any other person required to attend within a reasonable time prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, within a reasonable time prior to the date of the meeting.
- 7.3 Any member of the Committee 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.

## **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 of the Committee and/or dissenting views expressed.

- 8.2 Draft minutes of the Committee meetings shall be sent to all Committee members for their comments within a reasonable time after the meeting. Once they are approved, the secretary of the Committee shall circulate the final version of the minutes, and reports of the Committee, to all members of the Committee and to all members of the Board, unless it is considered inappropriate to do so.
- 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 of the Committee or Director at any reasonable time on reasonable notice.

## **9 Annual general meeting**

The chairman of the Committee shall attend the annual general meeting of the Company and be prepared to respond to any Shareholder questions on the Committee's activities.

## **10 Duties**

- 10.1 The Committee shall review the semi-annual 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:
- 10.1.1 significant adjustments from the previous property valuation report;
  - 10.1.2 reviewing the individual valuations of each property;
  - 10.1.3 to receive any commentary from the Property Advisor and/or Directors following the review meeting held with the valuer;
  - 10.1.4 to register and discuss with the Property Advisor any asset specific issues highlighted by the valuers;
  - 10.1.5 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;
  - 10.1.6 compliance with applicable standards and guidelines including those issued by the Royal Institution of Chartered Surveyors and the UKLA Listing Rules;
  - 10.1.7 reviewing the findings and any recommendations or statements made by the valuer;
  - 10.1.8 review at least annually, consider and make recommendations to the Board, in relation to the appointment, remuneration, re-appointment and removal of the company's external valuer. 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;
  - 10.1.9 consider any further matters relating to the valuation of the properties.

- 10.2 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.

## **11 Reporting responsibilities**

- 11.1 The chairman of the Committee shall report formally to the Board on proceedings 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 compile an annual report on its role and activities to be included in the Company's annual report, setting out its decisions and rationale in relation to its review of the Property Advisor' performance.

## **12 Others**

- 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 for additional resources to the Property Advisor. If the request for additional resources is denied, the Committee may, if it chooses, 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 of the Committee 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 In the event that the Committee or any member of the Committee requires access to independent professional advice in connection with his/her duties, a request may be made to the Company. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.
- 12.4 Every member of the Committee shall give sufficient time and attention to his/her duties as a member of the Committee. He/she shall give the Company the benefit of his/her skills and expertise through regular attendance and active participation.
- 12.6 The Committee shall work and liaise as necessary with all other Board committees.

## **13 Authority**

The Committee is authorised by the Board to investigate any activity within its terms of reference.

## **Definitions**

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

"**Board**" means the Board of Directors of the Company

"**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

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

"**Shareholders**" means the shareholders of the Company