

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

**Dated            3 February 2021**

**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 on the recommendation of the Nomination Committee or otherwise in consultation with the Chair 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 and Valuation Agent may be invited to attend all or part of any meeting as and when appropriate.

### **2 Chair**

- 2.1 The Board shall appoint the chair of the Committee who shall be an independent non-executive director.
- 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 of the Committee, 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) will ensure that the Committee received information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 3.3 The secretary of the Committee or his/her delegate shall attend meetings of the Committee to take minutes.
- 3.4 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.
- 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 otherwise as required.
- 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. 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 is then located provided that no meeting can take place in the United Kingdom.
- 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 The Property Advisor and other external advisers 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 chair of the Committee.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date 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.
- 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 Committee members and to other attendees as appropriate, at the same time.
- 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 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. The final version of the minutes shall be tabled to the next available Committee meeting for approval and at the next available quarterly Board meeting for information purposes, unless it is considered inappropriate to do so by the chair of the Committee.
- 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 Duties**

- 9.1 The Committee shall review and challenge 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, focusing 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 Property Advisor and/or Directors following the review meeting held with the valuer;
  - 9.1.4 to register and discuss with the Property Advisor 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 (if applicable);
  - 9.1.6 compliance with applicable standards and guidelines including those issued by the Royal Institution of Chartered Surveyors and the Financial Conduct Authority's Listing Rules;
  - 9.1.7 reviewing the findings and any recommendations or statements made by the valuer;
  - 9.1.8 review at least annually, and make recommendations to the Board on, 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;
  - 9.1.9 consider any further matters relating to the valuation of the properties.

## **10 Reporting responsibilities**

- 10.1 The chair of the Committee shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.

- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 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.
- 10.4 The Committee shall compile a report on its role and activities to be included in the Company's annual report, setting out its decisions and rationale in relation to the semi-annual property valuations.

## **11 Other matters**

- 11.1 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 Board. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
- 11.2 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.
- 11.3 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.
- 11.4 The Committee shall oversee and investigation of activities which are within its terms of reference.
- 11.5 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.
- 11.6 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.
- 11.7 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 and Transparency Rules and any other applicable rules, as appropriate.
- 11.7 The Committee shall work and liaise as necessary with all other Board committees.

## **12 Authority**

The Committee is authorised to:

- 12.1 seek any information it reasonably requires from any Director in order to perform its duties and all Directors are directed to co-operate with any reasonable request to do so;
- 12.2 obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter if it believes it necessary to do so;
- 12.3 call any Director or adviser to be questioned at a meeting of the Committee as and when required; and
- 12.4 have 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

"**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