

# **ALTERNATIVE INCOME REIT PLC**

**(the "Company")**

## **MANAGEMENT ENGAGEMENT COMMITTEE**

### **Terms of Reference**

(as adopted on 23 September 2024)

#### **1. DEFINITIONS**

- 1.1. Reference to the "AIFM" shall mean Langham Hall Fund Services LLP.
- 1.2. Reference to the "Committee" shall mean the Management Engagement Committee.
- 1.3. Reference to the "Board" shall mean the Board of Directors.
- 1.4. Reference to the "Company" shall mean Alternative Income REIT plc.
- 1.5. Reference to the "Investment Adviser" shall mean Martley Capital Real Estate Investment Management Limited.
- 1.6. Unless otherwise stated, reference to "Chair" shall mean the Chair of the Committee.

#### **2. PURPOSE**

The Management Engagement Committee:

- 2.1. is a sub-committee of the board and shall make recommendations to the board which retains the right of final decision;
- 2.2. has the primary responsibility of leading the process of reviewing the terms of the AIFM entered into between the Company and Langham Hall Fund Management LLP (or any successor (if applicable)) (the "AIFM"); and the Company and Martley Capital Real Estate Investment Management Limited (or any successor (if applicable)) (the "Investment Adviser") (the "Investment Advisory Agreement"); and
- 2.3. will make recommendations to the board of any proposed amendments in that regard.

#### **3. MEMBERSHIP**

- 3.1. The Committee shall comprise non-executive directors, within the meaning of Applicable Laws (as defined below). Members of the Committee shall be appointed by the Board.
- 3.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as external advisers, as appropriate, may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 3.3. The Board shall appoint the Committee Chair who shall be a non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under the terms of reference to be appointed to that position by the Board.
- 3.4. The Committee shall meet all applicable securities laws, instruments, rules and policies and regulatory requirements (collectively "Applicable Laws").

3.5. Each member of the Committee shall disclose to the Committee:

3.5.1. any personal financial or other interest in any matter to be decided by the Committee; or

3.5.2. any potential conflict of interest arising from a cross-directorship or otherwise; and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

#### **4. SECRETARY**

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

#### **5. QUORUM**

The quorum necessary for the transaction of business shall be two. 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.

#### **6. MEETINGS**

6.1. The Committee shall meet at least once a year and otherwise as required at the discretion of the Chair or a majority of the members or as may be required by Applicable Laws.

6.2. The Committee shall report its determinations and recommendations to the Board.

#### **7. NOTICE OF MEETINGS**

7.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.

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, 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.

#### **8. MINUTES OF MEETINGS**

8.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

8.2. Draft minutes of Committee meetings shall be agreed with the Committee Chair and then circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board, unless, in the Committee Chair's opinion, it would be inappropriate to do so.

#### **9. ANNUAL GENERAL MEETING**

All Committee members shall attend the Annual General Meeting ("**AGM**") and the Committee Chair should be prepared to respond to any shareholder questions on the Committee's activities.

#### **10. DUTIES**

- 10.1. The management engagement terms on which the Company's AIFM or Investment Adviser is engaged shall be reviewed by the Committee annually, prior to the annual results announcement being released.
- 10.2. The Committee shall:
- 10.2.1. reasonably satisfy itself that the AIFM Agreement and Interim Investment Advisory Agreement, or any variation or extension thereof, is fair and that the terms remain competitive and sensible for shareholders;
  - 10.2.2. reasonably satisfy itself that systems put in place by the AIFM or Investment Adviser, in respect of the Company are adequate to meet relevant legal and regulatory requirements;
  - 10.2.3. reasonably satisfy itself that matters of compliance are under proper review. The Company shall procure (through the terms of the AIFM Agreement or Investment Advisory Agreement) that the Committee shall have direct access to the AIFM or Investment Advisory compliance officer, and shall receive a report from the AIFM or Investment Adviser each year confirming that the AIFM or Investment Adviser has conducted the Company's affairs in compliance with the regulations applying to it;
  - 10.2.4. consider whether the continuing appointment of the AIFM and Investment Adviser, on the terms of the AIFM Agreement or Interim Investment Advisory Agreement, or any variation or extension thereof, in the interests of shareholders as a whole, and make recommendations to the Board hereon together with a statement of the reasons for their view;
  - 10.2.5. consider the merit of obtaining, on a regular basis, an independent appraisal of the AIFM and Investment Advisory services;
  - 10.2.6. consider the appointment or re-appointment of the AIFM and Investment Adviser and the level of fees and make recommendations to the Board thereon;
  - 10.2.7. review with the AIFM and Investment Adviser any material issues arising from their work that the AIFM and Investment Adviser wishes to bring to the attention of the Committee, whether privately or otherwise; and
  - 10.2.8. be responsible for reviewing the performance of other key service providers to the Company (other than external auditors) and make recommendations to the board with regard to any proposed changes to the terms of such agreements.

## **11. REPORTING RESPONSIBILITIES**

- 11.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and minutes of all Committee meetings shall be included in the board papers for a subsequent board meeting.
- 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.

## **12. OTHER**

The Committee shall:

- 12.1. carry out all duties set out in these terms of reference, to have access to sufficient resources and documentation in order to carry out its duties, including access to the Company secretary for assistance as required;

- 12.2. 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;
- 12.3. give due consideration to the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, the Companies Act 2006, Prospectus and Disclosure Guidance and Transparency Rules and any other Applicable Laws, as appropriate;
- 12.4. oversee any investigation of activities which are within its terms of reference; and
- 12.5. arrange for periodic reviews of its own performance and, at least annually, review its constitution, performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

### **13. AUTHORITY**

The Committee is authorised:

- 13.1. to seek any information it requires from any representative of the AIFM or Investment Adviser in order to perform its duties;
  - 13.1.1. to obtain, at a reasonable cost and at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; Costs must be agreed with the Company prior to being incurred;
  - 13.1.2. to call any representative of the AIFM or Investment Adviser to be questioned at a meeting of the Committee as and when required; and
  - 13.1.3. to 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.