

**ABRDN PROPERTY INCOME TRUST LIMITED (the "Company")**

**TERMS OF REFERENCE – SUSTAINABILITY COMMITTEE**

**Approved on 29 November 2022**

**1. Constitution**

The Sustainability Committee (the "Committee") was constituted by resolution of the board of directors of the Company (the "Board") on 30 November 2021.

**2. Membership**

Members of the Committee shall be appointed by the Board. The Committee shall be made up of all members of the API board.

In determining whether a director shall be deemed to be independent for the purpose of these terms of reference, the Board shall have regard to the UK Corporate Governance Code (or any successor or equivalent guidance) and leading corporate governance practice.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as representatives of the Company's investment manager or auditors from time to time may be invited to attend all or part of any meeting as and when appropriate.

The Board shall appoint the Committee Chair who shall be an independent 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.

The first members of the Committee (the "Members") shall be all the independent non-executive directors of the Company.

The Chair is Michael Bane.

**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 two 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. Meetings**

The Members may convene the Committee, meet together for the dispatch of business and otherwise regulate their meetings as they think fit.

## **6. Frequency of Meetings**

The Committee shall meet at least two times a year at appropriate times in the reporting cycle and otherwise as required.<sup>1</sup>

## **7. Notice of Meetings**

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 external or internal auditors if they consider it necessary.

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**

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

The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

## **9. Annual General Meeting**

The Chair of the Committee should attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities and matters within the scope of the Sustainability Committee's responsibilities.

## **10. Duties**

The primary role of the Committee is to assist the Board in:

- Oversight of the activities of the Investment Manager to ensure that the sustainability objectives of the Company (as set by the board), are met and observed.
- Monitor progress of the Investment Manager in relation to KPIs and measures set by the Board.
- Setting the Company's ESG strategy and net zero carbon pathway.

---

<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).

- Reporting on ESG and TCFD.
- Monitor the Company's EPC rating exposure (against regulatory requirements) (or other such measure as may from time to time be considered relevant in place of an EPC).

## 11. Objective

The Investment Manager will embed ESG principles in its investment process, with the intention of adopting ESG best practice. This objective reflects the Board's belief that strong ESG credentials will lead to superior performance of the investment portfolio, and of the Company, over time.

### General

The Committee:

- will report formally to the board on how its duties have been discharged, as agreed with the Board;
- may request and receive reports from the Manager regarding:
  - o Climate impact;
  - o Health & Safety;
  - o Community Investment;
  - o Tenant satisfaction
- will review annually the Committee's effectiveness and terms of reference and recommend any changes to the terms of reference for approval by the Board;
- will produce a report to be included in the Company's annual report;
- will consider appropriate training for any members of the Committee; and
- will give due regard to applicable laws, regulations, codes and any other rules.

The Committee may delegate any or all of its powers and authorities set out in these terms of reference to a sub-committee of the Sustainability Committee.