

STANDARD LIFE INVESTMENTS PROPERTY INCOME TRUST LIMITED

TERMS OF REFERENCE - REMUNERATION COMMITTEE

APPROVED 21 NOVEMBER 2013

1. Constitution

The Remuneration Committee (the "Committee") was constituted by resolution of the Board on 24 May 2011. An extract of the board meeting minute is attached to these terms of reference.

2. Membership

- 2.1 The Committee shall comprise a minimum of three members, being independent non-executive directors. The Chairman of the Board may also serve on the Committee as an additional member, but not chair, if he was considered independent on appointment as Chairman.
- 2.2 The Chairman of the Committee shall be appointed by the Board. In the absence of the Chairman of the Committee (and/or an appointed alternate member), the members present at any meeting of the Committee shall elect one of their number to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.
- 2.3 If any member of the Committee is unable to act for any reason, the Chairman of the Committee may appoint an additional independent non-executive director, of the Company, agreed by the members of the Committee to act as that member's alternate.

3. Secretary

The Company secretary or their nominee shall be the secretary of the Committee.

4. Meetings

- 4.1 The quorum for meeting of the Committee shall be two members present throughout the meeting in person or via telephone. A duly convened meeting of the remuneration 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.
- 4.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.
- 4.3 The Committee shall meet at least once a year (to be decided by the Board) and otherwise as the Chairman of the Committee shall require.
- 4.4 Unless otherwise agreed, notice of each meeting of the Committee confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate shall normally be forwarded to each member of the Committee and to each other person invited to attend, in advance of the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the Committee to all members of it and to arrange such meeting so that members are able to attend them.

- 4.5 The secretary of the Committee shall prepare minutes of any meeting of the Committee, which shall include the names of those present and in attendance and, after approval and signature by the Chairman of the Committee, shall circulate the minutes to all members of the Committee and to the Chairman of the Board. Once approved, minutes should be circulated to all other members of the Board, unless it would be inappropriate to do so.
- 4.6 The Chairman of the Committee shall be available to answer questions about the committee's activities at the annual general meeting of the Company. All member of the Committee shall also attend the annual general meeting.

5. Duties

- 5.1 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not include share options or other performance related elements. If, exceptionally, options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held at least one year after the non-executive director leaves the Board. Holding of share options could be relevant to the determination of a non-executive director's independence. (FRC – The UK Corporate Governance Code provision B.1.1)
- 5.2 Review and note annually the remuneration trends across the Sector.
- 5.3 Be exclusively responsible for establishing the selection criteria, selecting appointing, and setting the terms of reference for any remuneration consultants (who may be required) who advise the Committee.
- 5.4 The Board itself shall determine the remuneration of the non-executive directors within the limits set in the Articles of Association (or as subsequently amended by Shareholder approval).
- 5.5 Shareholders should be invited specially to approve all new long-term incentive scheme (as defined in the UKLA Listing Rules) and significant changes to existing schemes, save in the circumstance permitted by the UKLA Listing Rules.
- 5.6 In determining remuneration policy, the Committee shall have regard to the UK Corporate Governance Code, the UKLA Listing Rules and the Channel Islands Stock Exchange's Listing Rules and all other relevant codes, laws and regulations.
- 5.7 Consider any other matters as referred to the Committee by the Board.
- 5.8 Review the ongoing appropriateness and relevance of the remuneration policy.
- 5.9 Agree the policy for authorising claims for expenses from the directors.

6. Reporting Procedures

- 6.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- 6.3 The Committee shall produce an annual report of the Company's remuneration policy, reporting in the annual report frequency of, and attendance by members at, Committee meetings and ensure that it is put to shareholder for approval at the Annual General Meeting.

7. Other

- 7.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating a maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8. Authority

- 8.1 The Committee is authorised by the Board to seek information it requires from any member of the Company in order to perform its duties.
- 8.2 The Committee is authorised by the Board to investigate any activity within the scope of its duties.
- 8.3 The Committee is authorised by the Board to obtain inside and outside legal or other professional advice including the advice of independent remuneration consultants, as well as information about remuneration practices elsewhere, at the Company's expense.

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ADDENDUM TO TERMS OF REFERENCE

REMUNERATION POLICY

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. It should also reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts.

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EXPENSE CLAIM POLICY

All reasonable expenses incurred by Directors in pursuit of their duties should be recompensed. Any queries should be referred to the Chairman of the Company.

1. Expense invoices received from Directors for payment together with copy receipts.
2. Expenses reviewed by Northern Trust to confirm all in order.
3. Expenses sent to Investment Manager for recommendation and settlement.
4. Confirmation sent to Directors.

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Membership of Committee & Appointment Schedule

Members	Appointment Date
Richard Barfield (Chairman)	24 May 2011
Paul Orchard-Lisle	24 May 2011
Shelagh Mason	24 May 2011
Susie Farnon	24 May 2011
Huw Evans	14 May 2013

Establishment of the Committee

Extract of board meeting minute of 24 May 2011 at 9.15 a.m.

COMMITTEE OF THE BOARD:

The Chairman recommended the proposed memberships and terms of reference of the Board Committees.

After some consideration, IT WAS RESOLVED that the Committees would be best constituted as follows:

Audit Committee

Susie Farnon (Chairman)
David Moore
Dick Barfield
Shelagh Mason

Property Valuation Committee

Paul Orchard-Lisle (Chairman)

David Moore

Dick Barfield

Shelagh Mason

Susie Farnon

Management Engagement Committee

Shelagh Mason (Chairman)

David Moore

Paul Orchard-Lisle

Susie Farnon

Nomination Committee

Dick Barfield (Chairman)

David Moore

Paul Orchard-Lisle

Shelagh Mason

Susie Farnon

Remuneration Committee

Dick Barfield (Chairman)

David Moore

Paul Orchard-Lisle

Shelagh Mason

Susie Farnon

IT WAS ALSO RESOLVED THAT, subject to some minor amendments, the Terms of Reference tabled at the meeting, in respect of each of the committees, should be adopted with immediate effect.

It was also agreed that regular dates for these committee meetings would be discussed and incorporated into the corporate calendar.