

EMPIRIC STUDENT PROPERTY PLC

(the "Company")

REMUNERATION COMMITTEE

Terms of Reference

Updated and approved on 24 April 2019

1. DEFINITIONS

- 1.1 Reference to the "**Committee**" shall mean the Remuneration Committee.
- 1.2 Reference to the "**Board**" shall mean the Board of Directors.
- 1.3 Reference to the "**Company**" shall mean Empiric Student Property PLC.

2. PURPOSE

- 2.1 The Committee is appointed by the Board in setting director and senior officer remuneration and to develop and submit to the Board recommendations with respect to other employee benefits considered advisable. The Committee will be guided by the following principles:
 - 2.1.1 to offer competitive remuneration to attract, retain and motivate qualified executives in order for the Company to achieve the strategic plan and budgets approved by the Board; and
 - 2.1.2 act in the interests of the Company by being financially responsible.
- 2.2 The main purposes of the Committee are:-
 - 2.2.1 To determine the remuneration policy for executive directors; and
 - 2.2.2 To determine the appropriate remuneration packages for the Chairman of the Board, the executive directors and such members of senior management as it is designated by the Board to consider.

3. MEMBERSHIP

- 3.1 The Committee shall comprise of at least three members, all of whom shall be independent non-executive directors, within the meaning of Applicable Laws (as defined below). The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman. 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 the executive directors and external advisers, as appropriate, may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 3.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

- 3.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman 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. The Chairman of the Board shall not be Chairman of the Committee.
- 3.5 The Committee shall meet all applicable securities laws, instruments, rules and policies and regulatory requirements (collectively "**Applicable Laws**"), including relating to independence within the meaning of Applicable Laws.
- 3.6 Each member of the Committee shall disclose to the Committee:
- 3.6.1 any personal financial or other interest in any matter to be decided by the Committee; or
- 3.6.2 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. FREQUENCY OF MEETINGS

- 6.1 The Committee shall meet at least twice a year and otherwise as required at the discretion of the Chairman or a majority of the members or as may be required by Applicable Laws.
- 6.2 The Committee should hold an in camera session without any senior officers present at each meeting.
- 6.3 The Committee shall report its determinations and recommendations to the Board.
- 6.4 No member of the Board or member of the executive team shall participate at a meeting of the Committee (or during the relevant part) at which any part of his remuneration is being discussed or participate in any recommendation or decision concerning his remuneration.

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 Chairman.
- 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 circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board, unless it would be inappropriate to do so.

9. ANNUAL GENERAL MEETING

The Committee Chairman should attend the Annual General Meeting (“AGM”) prepared to respond to any shareholder questions on the Committee’s activities.

10. DUTIES

10.1 The Committee should carry out the duties below for the Company, any parent company, major subsidiary undertakings and the group as a whole, as appropriate.

10.2 The Committee shall:

10.2.1 determine and agree with the Board the framework or broad policy for setting remuneration for the executive directors;

10.2.2 in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements under Applicable Laws, including the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company. The policy shall support Company strategy and promote long-term sustainable success in a manner that is transparent, simple, and aligned with the Company’s risk policies and culture. The Committee shall review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration;

10.2.3 review the ongoing appropriateness and relevance of the remuneration policy;

10.2.4 have delegated responsibility for setting the total individual remuneration package of the executive directors. The Committee shall ensure that all remuneration payments made to any executive director are consistent with remuneration policy approved by the shareholders or that the payments are otherwise agreed in advance by the shareholders;

10.2.5 have delegated responsibility for setting the total individual remuneration package of other members of senior management as it is designated by the Board to consider;

10.2.6 consult with the Chairman of the Board and/or Chief Executive Officer about the Committee’s proposals relating to the individual remuneration

- packages of executive directors and other members of senior management;
- 10.2.7 have delegated responsibility for setting the fee for the Chairman of the Board;
- 10.2.8 obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- 10.2.9 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 10.2.10 approve the design of, and determine targets for, any performance related pay schemes operated by the Company for the executive directors and other members of senior management and approve the total annual payments made under such schemes;
- 10.2.11 ensure that the performance-related elements of remuneration of the executive directors and other members of senior management are transparent, stretching, rigorously applied and designed to promote the long-term success of the Company;
- 10.2.12 ensure that all performance-related pay schemes operated by the Company for the executive directors and other members of senior management enable the use of discretion to override formulaic outcomes and include provisions that enable the Company to recover and/or withhold sums or share awards and that they specify the circumstances in which it would be appropriate to do so. Committee members should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances;
- 10.2.13 review the terms and operation of the Company's share ownership guidelines and adopt a formal policy for executive directors in respect of post-employment shareholding requirements, encompassing both unvested and vested shares;
- 10.2.14 review the design of all equity-based incentive plans for approval by the Board and shareholders ensuring that, in respect of share awards for executive directors, (i) they promote long-term shareholdings that support alignment with long-term shareholder interests; and (ii) they are subject to a total vesting and holding period of at least five years. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other members of senior management, and the performance targets to be used. In addition, the Committee will be responsible for exercising all the other powers and duties confirmed or imposed upon the Board under the rules of the Company's share incentive schemes;
- 10.2.15 ask the Board, when appropriate, to seek shareholder approval for all new long term incentive schemes (as defined in the Listing Rules) as well as any significant changes to existing schemes, save in the circumstances permitted by the Listing Rules;

- 10.2.16 determine the policy for, and scope of, pension arrangements for executive directors and other members of senior management;
- 10.2.17 determine the Company's policy in relation to compensation agreed to be paid to any executive director or member of senior management in connection with termination of employment;
- 10.2.18 ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 10.2.19 ensure that all loss of office payments made to any executive director are consistent with remuneration policy approved by the shareholders or that the payments are otherwise agreed in advance by the shareholders.
- 10.2.20 liaise with the nomination committee to ensure that the remuneration of a proposed new director is in accordance with the remuneration policy approved by shareholders and to agree the terms of appointment and remuneration of a proposed new director or member of senior management in coordination with the nomination committee as appropriate;
- 10.2.21 agree the policy for authorising claims for expenses from the Board;
- 10.2.22 oversee any major changes in employee benefits structures throughout the Company or group;
- 10.2.23 review, and make a recommendation to the Board with respect to, any disclosure related to executive remuneration included in any public disclosure document, including any management information circular of the Company for any meeting of the shareholders of the Company and review and approve the report on executive remuneration required by Applicable Laws to be included in any public disclosure document, including any management information circular of the Company;
- 10.2.24 review and note annually remuneration trends and employment conditions across the Company or group. The Committee shall be cognisant of the Companies Act requirement to set out in the remuneration policy approved by shareholders how pay and employment conditions of employees generally were taken into account when setting the remuneration policy and the Code requirement to disclose what engagement has taken place with the workforce to explain how executive remuneration aligns with wider Company pay policy;
- 10.2.25 consider such other matters as may be requested by the Board.

11. REPORTING RESPONSIBILITIES

- 11.1 The Committee Chairman shall report formally to the Board on its 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 produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the AGM.

12. OTHER

The Committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties;
- 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, Prospectus and Disclosure and Transparency Rules and any other Applicable Laws, as appropriate; and
- 12.4 arrange for periodic reviews of its own performance and, at least annually, review its 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.

13. CHAIRMAN

The Chairman of the Committee should:

- 13.1 unless in exceptional circumstances the Board determines otherwise, have served on a remuneration committee for at least 12 months before appointment;
- 13.2 provide leadership to the Committee and oversee the functioning of the Committee;
- 13.3 chair meetings of the Committee, unless not present, including in camera sessions, and report to the Board following each meeting of the Committee on the activities, and any recommendations and decisions, of the Committee and otherwise at such times and in such manner as the Chairman considers advisable;
- 13.4 ensure that the Committee meets at least twice per financial year of the Company and otherwise as is considered advisable;
- 13.5 in consultation with the Chairman of the Board and the members, establish dates for holding meetings of the Committee;
- 13.6 set the agenda for each meeting of the Committee with input from other members, the Chairman of the Board and any other appropriate individuals;
- 13.7 ensure that Committee materials are available to any director upon request;
- 13.8 act as liaison and maintain communication with the Chairman of the Board and the Board to co-ordinate input from the Board and to optimize the effectiveness of the Committee;
- 13.9 report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
- 13.10 assist the members of the Committee to understand and comply with the responsibilities contained in these terms of reference;
- 13.11 foster ethical and responsible decision making by the Committee;

- 13.12 together with the nomination committee, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
- 13.13 ensure appropriate information is provided to the Committee by the Senior Executives to enable the Committee to function effectively and comply with the responsibilities contained in these terms of reference;
- 13.14 ensure that appropriate resources and expertise are available to the Committee;
- 13.15 ensure that the Committee considers whether any independent counsel or other experts or outside advisors retained by the Committee are appropriately qualified and independent in accordance with Applicable Laws;
- 13.16 facilitate effective communication between the members of the Committee and the Senior Executives;
- 13.17 attend, or arrange for another member of the Committee to attend, each meeting of the shareholders of the Company to respond to any questions from shareholders which may be asked of the Committee; and
- 13.18 perform such other duties as may be delegated to the Chairman by the Committee or the Board from time to time.

14. AUTHORITY

- 14.1 The Committee is authorised to seek any information it requires from the manager of the Company in order to perform its duties.
- 14.2 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 14.3 The Committee will not:
 - 14.3.1 determine the remuneration of any non-executive director (except for the Chairman of the Board) including the members of the Committee. The remuneration of non-executive directors (except for the Chairman of the Board) shall be a matter for the Chairman of the Board and the executive members of the Board;
 - 14.3.2 determine any other matters which the Board shall advise the Committee are required to be determined by the Board.