

CORPORATE GOVERNANCE STATEMENT



The Board is committed to the highest standards of governance and recognises its responsibility to serve all shareholders.

Nigel Rich CBE
Chairman

The Board is committed to the highest standards of corporate governance and recognises its responsibility to serve the interests of shareholders by creating sustainable growth and shareholder value over the medium to long term, whilst also reducing or mitigating risk.

Compliance with the AIC Code of Corporate Governance (the “AIC Code”)

The Board considers the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining the highest standards of financial reporting, transparency and business integrity.

As Urban Logistics REIT plc is a UK-listed company, the Board’s principal governance reporting obligation is in relation to the UK Code of Corporate Governance (the “UK Code”) issued by the Financial Reporting Council (the “FRC”). However, it is recognised that investment companies have special circumstances which have an impact on their governance arrangements. An investment company typically has no employees, and as such, the daily functions of the Company are outsourced to third parties. The Association of Investment Companies has therefore set up its own AIC Code, last updated in February 2019, which recognises the nature of investment companies by focusing on matters such as board independence and the review of management and other third-party contracts.

The AIC Code is endorsed by the FRC and confirmed that companies which report against the AIC Code will meet their obligations in relation to the UK Code and Listing Rule 9.8.6. The Board has chosen to report against the AIC Code as it believes that its principles and recommendations will provide better information to shareholders than reporting against only the UK Code.

A copy of the AIC Code can be found at www.theaic.co.uk.

A copy of the UK Code can be obtained at www.frc.org.uk.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors’ remuneration; and
- the need for an internal audit function.

The Board considers that these provisions are not relevant to the position of Urban Logistics, being an externally managed real estate investment company. In particular, all of the Company’s daily management and administrative functions are outsourced to third parties. As a result, the Company has no Executive Directors, employees, or internal operations such as an internal audit function. The Company has therefore not reported further in respect of these provisions, and in the circumstances do not feel it is necessary to form a Remuneration Committee.

The need for a separate Remuneration Committee will be kept under review but, at present, the functions which a Remuneration Committee would be responsible for are overseen by the full Board.

Strategy and business model

The Company has a clear and established strategy and business model which promotes long-term value for shareholders. Further detail on the Company’s strategy and business model can be found in the Investment Manager’s Report on pages 12 to 38.

CORPORATE GOVERNANCE STATEMENT CONTINUED

APPLICATION OF AIC CODE PRINCIPLES

The table below outlines the main principles of the AIC Code, provides an overview of compliance and signposts to sections of the report where these principles have been applied.

Board leadership and purpose			
Principle A	A successful company is led by an effective Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. (Incorporates relevant content from UK Code Principle A)	In managing the Company, the aim of the Board and of the Investment Adviser is to ensure the long-term sustainable success of the Company. The Company takes an active interest in ESG across its portfolio.	<ul style="list-style-type: none"> ▶ Strategic Report, pages 1 to 55 ▶ Board of Directors, pages 56 and 57 ▶ Business model, page 11
Principle B	The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture. (UK Code Principle B)	The purpose of the Company is to acquire and manage high-quality, single-let logistics assets and generate both income and capital growth for our shareholders.	<ul style="list-style-type: none"> ▶ Strategic Report, pages 1 to 55 ▶ Our culture, pages 11 and 65 ▶ Our purpose, page 11 ▶ How we add value, page 11
Principle C	The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed. (UK Code Principle C)	<p>The Directors regularly consider the Company's financial position with reference to the business model, the balance sheet, cash flow projections, availability of funding and contractual commitments. The Company's objective is to deliver total investment returns through both income, with regular dividends providing shareholders with a sustainable income stream that will grow over the medium term, and targeted capital growth which the Company believes will enhance shareholders' total return over the long term.</p> <p>In order to effectively assess and manage risk, appropriate controls and policies are in place and are regularly reviewed and assessed by the Audit Committee. More information can be found in the Audit Committee Report.</p> <p>Further information on resources in place for the Company to meet its objectives and measure performance against them can be found in the Sustainability Report and Principal Risks and Uncertainties.</p>	<ul style="list-style-type: none"> ▶ Sustainability Report, pages 31 to 38 ▶ Principal risks and uncertainties, pages 50 to 54 ▶ Risk management and internal control, pages 65 and 66
Principle D	In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties. (UK Code Principle D)	In our section 172 statement we describe our key stakeholders, the reason they are important to us and how we engage with them.	<ul style="list-style-type: none"> ▶ Stakeholders, pages 45 to 47 ▶ Section 172 statement, pages 45 to 48 ▶ Shareholder engagement, page 65

Division of responsibilities

Principle F	The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chairman facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures that Directors receive accurate, timely and clear information. (UK Code Principle F)	<p>The Chairman, independent on appointment, leads the Board and ensures that debates are balanced and open whilst promoting behaviours which make up the Company's culture.</p> <p>The annual evaluation of the Board's effectiveness always considers the performance of the Chairman, and whether he has performed his role effectively. The Directors, led by the SID, have concluded that the Chairman has fulfilled his role and performed well to support the effective functioning of the Board.</p>	<ul style="list-style-type: none"> ▶ Role of the Chairman, page 63 ▶ The Board, page 63
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CORPORATE GOVERNANCE STATEMENT CONTINUED

APPLICATION OF AIC CODE PRINCIPLES CONTINUED

Division of responsibilities continued

Principle G	The Board should consist of an appropriate combination of Directors (and, in particular, independent Non-Executive Directors) such that no one individual or small group of individuals dominates the Board's decision-making. (Incorporates relevant content from UK Code Principle G)	During the year under review, the Board consisted of four independent non-executive Directors and two non-independent non-executive Directors. Mark Johnson (who stepped down from the Board on 11 May 2023) and Richard Moffitt, are not independent due to their relationship with the Investment Adviser. In the Board's opinion, each Director continues to provide constructive challenge and robust scrutiny of matters that come before the Board. The Board also considers the composition of the Board, as well as the longer-term succession plans.	<ul style="list-style-type: none"> ▶ Board of Directors, pages 56 and 57 ▶ Board Committees, page 66
Principle H	Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third-party service providers to account. (Incorporates relevant content from UK Code Principle H)	The Board considers the required time commitment annually and, during the year under review, the Board concluded that all Directors continued to devote sufficient time to the business of the Company. Through their contributions in meetings, as well as outside of the usual meeting cycle, the Directors share their experience and guidance with, as well as constructively challenge, the AIFM and the Investment Adviser. The Board, supported by the Management Engagement Committee, regularly assesses the performance of all third-party service providers.	<ul style="list-style-type: none"> ▶ Board composition and succession, page 64 ▶ Management Engagement Committee Report, pages 76 and 77
Principle I	The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. (UK Code Principle I)	The Board's responsibilities are set out in the schedule of matters reserved for the full Board and certain responsibilities are delegated to its Committees, so that it can operate effectively and efficiently. Supported by its Committees, the Board has overall responsibility for the purpose, strategy, business model, performance, framework for risk management and internal controls and governance matters, as well as engagement with shareholders and other key stakeholders. Directors are also provided with any relevant information and have access to the Company Secretary and independent advisers, if required.	<ul style="list-style-type: none"> ▶ The Board, page 63 ▶ Section 172 statement, pages 45 to 48 ▶ Induction of new Directors, page 64

Composition, succession and evaluation

Principle J	Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. (Incorporates relevant content from UK Code Principle J)	The Nomination Committee, comprising independent non-executive Directors, is responsible for identifying and recommending to the Board the appointment of new Directors. Any new Board appointment is subject to a formal and rigorous process and the details of this process are always disclosed in Annual Reports. The Company's policy on the tenure of Directors also helps to guide long-term succession plans, and recognises the need for and value of progressive refreshing of the Board.	<ul style="list-style-type: none"> ▶ Board composition and succession, page 64 ▶ Diversity, page 69 ▶ Nomination Committee Report, pages 68 to 70
Principle K	The Board and its Committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed. (UK Code Principle K)	The Nomination Committee is responsible for identifying and recommending to the Board the appointment of new Directors and considering long-term succession plans.	<ul style="list-style-type: none"> ▶ Board of Directors, pages 56 and 57 ▶ Nomination Committee Report, pages 68 to 70 ▶ Board Committees, page 66 ▶ Board composition and succession, page 64

CORPORATE GOVERNANCE STATEMENT CONTINUED

APPLICATION OF AIC CODE PRINCIPLES CONTINUED

Composition, succession and evaluation continued

Principle L	Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively (UK Code Principle L)	The Directors consider the evaluation of the Board, its Committees and themselves, to be an important aspect of corporate governance, and evaluations are undertaken annually.	▶ Nomination Committee Report, pages 68 to 70
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Audit, risk and internal control

Principle M	The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements. (Incorporates relevant content from UK Code Principle M)	The Audit Committee supports the Board in fulfilling its oversight responsibilities by reviewing the performance of the external auditor, audit quality, as well as the auditor's objectivity and independence. The Committee also reviews the integrity and content of the Financial Statements, including the ongoing viability of the Company.	▶ Risk management and internal control, page 65 ▶ Audit Committee Report, pages 71 to 73 ▶ Notes 3 and 4 to the Financial Statements, pages 100 to 104
Principle N	The Board should present a fair, balanced and understandable assessment of the Company's position and prospects. (UK Code Principle N)	The Audit Committee supports the Board in assessing whether the Company's Annual Report presents a fair, balanced and understandable assessment of the Company's position and prospects.	▶ Strategic Report, pages 1 to 55 ▶ Fair, balanced and understandable, page 73 ▶ Audit Committee Report, pages 71 to 73 ▶ Independent Auditor's Report, pages 87 to 92 ▶ Financial Statements, pages 87 to 121
Principle O	The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. (UK Code Principle O)	The Audit Committee supports the Board through its independent oversight of the financial reporting process, including the Financial Statements, the system of internal control and management of risk, the appointment and ongoing review of the quality of the work and independence of the Company's external auditor.	▶ Principal risks and uncertainties, pages 50 to 54 ▶ Viability statement, page 55 ▶ Audit Committee Report, pages 71 to 73 ▶ Management Engagement Committee Report, pages 76 and 77 ▶ Risk management and internal control, page 65 ▶ Note 24 to the Financial Statements, pages 115 to 118

CORPORATE GOVERNANCE STATEMENT CONTINUED

APPLICATION OF AIC CODE PRINCIPLES CONTINUED

Remuneration			
Principle P	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. (Incorporates relevant content from UK Code Principle P)	<p>The Directors, with the exception of Mark Johnson (who stepped down from the Board on 11 May 2023) and Richard Moffitt, are all non-executive and independent of the Investment Adviser. They receive fees and no component of any Director's remuneration is subject to performance factors.</p> <p>Whilst there is no requirement under the Company's Articles of Association or letters of appointment for Directors to hold shares in the Company, the majority of the Directors do hold shares in the Company.</p>	<ul style="list-style-type: none"> ▶ Strategic Report, pages 1 to 55 ▶ Directors' Remuneration Report, pages 78 to 81 ▶ Directors' remuneration policy, pages 80 and 81
Principle Q	A formal and transparent procedure for developing policy on remuneration should be established. No Director should be involved in deciding their own remuneration outcome. (Incorporates relevant content from UK Code Principle Q)	<p>As the Company has no employees and the Board is comprised wholly of non-executive Directors, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole, at its discretion within an aggregate ceiling as set out in the Company's Articles of Association. Each Director abstains from voting on their own individual remuneration.</p> <p>The terms and conditions of the Directors' appointments are set out in letters of appointment, which are available for inspection on request at the registered office of the Company.</p>	<ul style="list-style-type: none"> ▶ Directors' Remuneration Report, pages 78 to 81
Principle R	Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances. (UK Code Principle R)	The process of reviewing the Directors' fees is described in the Remuneration Report, although as there are no performance-related elements of the remuneration, there is very little scope for the exercise of discretion or judgement.	<ul style="list-style-type: none"> ▶ Directors' Remuneration Report, pages 78 to 81

CORPORATE GOVERNANCE STATEMENT CONTINUED

Role of the Chairman

As Chairman of the Board, I have overall responsibility for the quality of the corporate governance arrangements of the Company and the approach that is taken to ensure corporate governance compliance is achieved. The Board as a whole has the responsibility and a legal obligation to promote the interests of the Company and is responsible for defining the Company's corporate governance arrangements.

My role as Chairman is to lead the Board and I am responsible for its overall effectiveness in directing the Company. I strive to promote a culture of openness and debate amongst the Board and to facilitate effective contribution from all Board members.

The AIC Code requires the Chairman to be independent upon appointment. I have been considered independent since my appointment in January 2017 and I have no relationships that may create a conflict of interest with shareholders.

Senior Independent Director

The Company's Senior Independent Director during the financial year ended 31 March 2023 was Jonathan Gray. At a General Meeting held on 11 May 2023, shareholders approved certain proposals relating to the management arrangements of the Company. On that date, Heather Hancock succeeded him in this role. As Senior Independent Director, Heather provides a channel for any shareholder concerns regarding the Chairman, and will lead future annual performance evaluations of the Chairman. The performance evaluation of the Chairman for the year ended 31 March 2023 was led by Jonathan Gray, further information can be found within the Nomination Committee Report on page 70.

A full description of the responsibilities of the Chairman and the Senior Independent Director can be found on the Company's website www.urbanlogisticsreit.com.

The Board

The Board is responsible for determining the Company's strategy, investment policy and overseeing the Company's performance and business conduct. The Board is also responsible for the continuing appointment and ongoing performance of the AIFM and the Investment Adviser.

The Board holds formal, scheduled meetings each quarter, with additional ad hoc meetings arranged as required. The Board (and Board Committees) are provided with high-quality information in advance of each meeting, which enables proper debate and consideration of all matters being presented.

The Board has a schedule of matters reserved for its decision-making which is reviewed on an annual basis, and is available on the Company's website at www.urbanlogisticsreit.com.

The Board regularly reviews the investment performance of the AIFM and the Investment Adviser and assesses the progress of new investment opportunities. The Company's strategy is regularly reviewed in the context of a broader market outlook and future financial forecasting, as well as historic financial performance. The Board works closely with the Company's brokers, Singer Capital Markets and Panmure Gordon, as well as its other advisers. The Board receives reports regarding investor relations as well as regular updates from the AIFM, the Investment Adviser and the Company Secretary on regulatory and compliance matters.

The Board has direct access to the services of its Company Secretary, Link Company Matters Limited ("Company Matters"), as well as a range of other service providers. Company Matters, in its role as Company Secretary, is responsible to the Board for ensuring that Board and governance procedures are followed, and that applicable rules and regulations are complied with. When deemed necessary, the Board may seek independent professional advice in the furtherance of their duties, at the Company's expense.

The Company has arranged a Directors' and Officers' liability insurance policy which includes cover for legal expenses. The policy was reviewed at the time of the Main Market move and remains in force as at the date of this report.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Board composition and succession

During the financial year ended 31 March 2023, the Board comprised four independent Non-Executive Directors and two non-independent Non-Executive Directors. There were no changes to the composition of the Board during the year. However, since the year end there have been several directorate changes as announced to the market on 15 March 2023 and 11 May 2023.

On 11 May 2023, Jonathan Gray and Mark Johnson stepped down from the Board as a result of changes to the management arrangements of the Company approved by shareholders on that date. Jonathan Gray has also stood down from his role as Senior Independent Director with effect from the same date. From 12 May 2023, the Senior Independent Director of the Company is Heather Hancock.

Lynda Heywood joined the Board as an independent Non-Executive Director on 1 May 2023. She brings a wealth of experience in guiding FTSE 100 companies to the Board, from her 20-year tenure at Kingfisher Plc, and six years at Tesco Plc, holding group treasurer roles at both organisations. Lynda Heywood is a member of all Board committees.

The Board is satisfied that it possesses a sufficient balance of skills, relevant sector experience and knowledge to ensure that, as a whole, it functions well and that discussions and/or decisions are not dominated by any one Director. The performance of the Board and of the Chairman is evaluated annually. Further detail regarding the external evaluation of the Board and Chairman during the financial year ended 31 March 2023 can be found in the Nomination Committee Report on page 70.

The collective experience amongst the Board includes senior Board level/chairmanship positions, financial services experience, and directorships within the property sector, all of which contribute expertly to the deliberations of the Board.

The majority of Directors are independent from the AIFM and the Investment Adviser. Those Directors deemed to be independent can be found in the Director biographies on pages 56 and 57.

As the Company is subject to the AIC Code, there is no requirement for a limit on the tenure of the Chairman or the Company's Board members. However, the Board recognises the value of regularly refreshing its composition and remains committed to ensuring that it has the right mix of skills and experience that are aligned with the evolution of the strategic plans of the Company, while maintaining its independence of character and judgement. The Board expects to maintain a tenure of nine years for its Directors, including the Chairman, thus preserving the cumulative valuable experience and understanding of the Company, while benefiting from fresh perspectives and helping to promote diversity. Furthermore, all Directors, save for Lynda Heywood, will be subject to annual re-election at the Company's forthcoming Annual General Meeting ("AGM") in July 2023. Lynda Heywood shall stand for election at the AGM, being her first AGM post her appointment.

All Directors are expected to attend Board and Committee meetings and to devote sufficient time to the Company's affairs to fulfil their duties as Directors. Each Director is satisfied that they have sufficient time to commit to their individual role and responsibilities on the Board. The time commitment involved from each Director involves preparation for meetings, meeting attendance, as well as ad hoc meetings with the AIFM, the Investment Adviser and external advisers as required. Individual Directors are responsible for their own professional development and for ensuring their skills and expertise are refreshed in order to support their role on the Board.

Induction of new Directors

A procedure for the induction of new Directors is in place which includes the provision of an induction pack containing relevant information about the Company and its processes and procedures. New Directors appointed to the Board have the opportunity to meet with the Chairman, the AIFM, the Investment Adviser and the Company Secretary.

Board performance

Every year the Company conducts an extensive Board evaluation process to review the effectiveness of the Board as a whole. In addition, an evaluation of the performance of the Chairman is undertaken which is led by the Senior Independent Director. For the year ended 31 March 2023, the Board undertook an external evaluation and engaged BoardAlpha Limited ("BoardAlpha") to conduct this on behalf of the Company.

For further detail on this exercise, please refer to the report of the Nomination Committee on pages 68 to 70.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Culture

The Board acknowledges that it has the responsibility to “set the tone from the top” in terms of the culture and ethical behaviours of the Company, and strives to promote a culture that is based on sound ethical values and behaviours, values diversity and is responsive to the views of shareholders and the Company’s stakeholders. This is achieved by ensuring robust corporate governance frameworks were in place and ensuring the Investment Adviser is appropriately challenged and held to account for its performance and behaviours. This culture is consistent with the Company’s business model and strategy and facilitates the best possible opportunity to build a high-quality, diversified logistics property portfolio by conducting exceptional asset management and delivering sector-leading returns to investors.

The Board expects all service providers, including its Investment Adviser, to exhibit high standards of ethical behaviour and for the employees of the service providers to behave in a professional and respectful manner. The Board feels that all Directors continue to act with integrity, lead by example and promote the Company’s culture. Further detail regarding the Management Engagement Committee’s review of all service providers can be found on page 77.

The Company’s section 172 statement can be found on pages 45 to 48.

Shareholder engagement

The Board is confident in its approach to the Company’s ongoing communication with shareholders and recognises the value in positive shareholder engagement. The Board strives to understand and meet shareholders’ needs and expectations.

Our website is kept up-to-date with information to help investors keep in touch and to understand our business.

The Investment Adviser meets with shareholders and investors on behalf of the Board by way of shareholder roadshows to discuss our results, which have proven to be a popular and effective way to engage with shareholders and develop our understanding of their needs and expectations. The Investment Adviser provides feedback to the Board following these roadshows and also regularly updates the Board with the views of shareholders and analysts.

In addition, the Chairman writes to the largest shareholders, offering meetings after annual results and prior to the general meeting approving the new management arrangements.

We encourage a two-way communication with both institutional and private investors, and shareholders are encouraged to write to the Company via the Company Secretary at the registered office address, should they wish. We endeavour to respond promptly to all enquiries.

Annual General Meeting

Shareholders are encouraged to attend the Company’s AGM on 18 July 2023 at 10.00am. The AGM will be held at Buchanan Communications Ltd, 107 Cheapside, London EC2V 6DN, and further details can be found in the Notice of AGM which has been dispatched to all shareholders.

An electronic copy of the Notice of AGM is also available on the Company’s website at www.urbanlogisticsreit.com.

Any further updates regarding the Annual General Meeting will be made via the appropriate Regulatory Information Service and on the Company’s website at www.urbanlogisticsreit.com. Shareholders will be given the opportunity to ask questions during the AGM and questions can also be sent by email to ir@urbanlogisticsreit.com in advance of the meeting. These questions will be responded to in writing on the Company’s website.

In addition, the Investment Adviser seeks to engage directly with major shareholders via regular meetings, round table events, capital markets days and other outreach. The Chairman proactively contacts the largest shareholders to make himself available for meetings and communication.

The voting results of the 18 July 2023 Annual General Meeting will be announced to the market once it has been held.

Risk management and internal control

The Directors acknowledge that they have overall responsibility for the Company’s risk management and internal control systems and for reviewing their effectiveness. As such, the Board, in consultation with the Audit Committee:

- approves the Company’s/Group’s Risk Appetite Statements;
- receives reports on, and reviews the effectiveness of, the Group’s risk and control processes to support its strategy objectives;
- approves the procedures for the detection of fraud, bribery, tax evasion and money laundering;
- reviews quarterly management accounts against budget, full-year forecasts against both budget and analyst expectations;
- signs off all investments; and
- ensures that there is a segregation of duties between the Investment Adviser’s property team who recommend property investments, and the Investment Adviser’s finance and operations team who perform due diligence and instruct payments.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Risk management and internal control continued

In addition to the high-level internal controls exercised by the Board, further internal controls are also in place at the AIFM and the Investment Adviser. These controls, which include those in relation to the financial reporting process for the undertakings included in the consolidation, are reviewed and tested as part of the external audit process and updated as required from both internal feedback and external feedback from auditors and others.

An ongoing process has been implemented for identifying, evaluating and managing the principal and emerging strategic and operational risks faced by the Company. This process has been in place for the year ended 31 March 2023 and is reviewed on an annual basis.

The risk management process and systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve the Company's objectives and it should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss. Pages 50 to 54 set out the Company's Principal Risks and Uncertainties. The Company's Risk Appetite Statement can be found on page 50.

Board Committees

The Board has delegated a number of responsibilities to its Environmental, Social and Governance ("ESG"), Audit, Nomination and Management Engagement Committees. Each Committee has Terms of Reference in place, which outline the duties of those Committees that are delegated from the Board, including their statutory and regulatory responsibilities. The Terms of Reference are reviewed on at least an annual basis. The Board accepts that, while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. Details on each Committee, and a report of the activities undertaken during the year ended 31 March 2023, can be found in the individual Committee Reports.

A copy of each Committee's Terms of Reference can be found on our website www.urbanlogisticsreit.com.

The membership of the Board Committees is as follows:

Name	Independent	ESG Committee	Audit Committee	Management Engagement Committee	Nomination Committee
Nigel Rich CBE	Y	Member	Member	Chairman	Chairman
Bruce Anderson	Y	Member	Chairman	Member	Member
Heather Hancock ¹	Y	Chairwoman	Member	Member	Member
Jonathan Gray ²	Y	Member	Member	Member	Member
Lynda Heywood ³	Y	Member	Member	Member	Member
Richard Moffitt	N	—	—	—	—
Mark Johnson ⁴	N	—	—	—	—

1. Heather Hancock was appointed as Senior Independent Director with effect from 12 May 2023.
2. Jonathan Gray resigned from the Board and as Senior Independent Director with effect from 11 May 2023.
3. Lynda Heywood joined the Board with effect from 1 May 2023.
4. Mark Johnson resigned from the Board with effect from 11 May 2023.

A Sub-Committee of the Board was created on 25 January 2023, consisting solely of the independent Directors, which would be authorised to act on behalf of the Company in relation to any changes to the Company's management agreement and investment management arrangements. Jonathan Gray was recused from membership of this Sub-Committee on 1 March 2023.

Richard Moffitt is not deemed to be independent due to his existing role at, and interest in, the Investment Adviser. Richard excludes himself from voting on matters concerning the Investment Adviser and during the approval of property sales and acquisitions proposed to the Board by the Investment Adviser, or where there is any other perceived potential conflict of interest. Despite his non-independence, the Board considers that Richard remains able to provide constructive challenge and scrutiny to the Board, as well as valuable and relevant skills and experience.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Meeting attendance

During the year ended 31 March 2023, there were eight scheduled Board meetings. The Directors also met on an ad hoc basis during the year to discuss and approve matters relating to the management arrangements of the Company. The Company Secretary attends all meetings of the Board and its Committees. Representatives of the AIFM, Investment Adviser, the external auditor and other advisers are invited to attend as required.

Name	Board	ESG Committee	Audit Committee	Management Engagement Committee	Nomination Committee
Nigel Rich CBE	8/8	1/1	3/3	1/1	1/1
Bruce Anderson	8/8	1/1	3/3	1/1	1/1
Heather Hancock	8/8	1/1	2/3	1/1	1/1
Jonathan Gray	8/8	1/1	3/3	0/1	0/1
Richard Moffitt	8/8	N/A	N/A	N/A	N/A
Mark Johnson	8/8	N/A	N/A	N/A	N/A

Conflicts of interest

The Articles of Association allow the Board to authorise potential conflicts of interest that may arise, subject to imposing limits or conditions when giving authorisation if this is appropriate. Only independent Directors (who have no interest in the matter being considered) will be able to take the relevant decision and, in taking the decision, the Directors must act in a way they consider will be most likely to promote the Group's success for the benefit of its shareholders as a whole. Procedures have been established to monitor actual and potential conflicts of interest on a regular basis, and the Board is satisfied that these procedures are working effectively.

The Company regularly uses M1 Agency LLP as an agent for its purchase and sale of assets. The Company incurs fees from M1 Agency LLP, a partnership in which Richard Moffitt is a member. These fees are incurred in the acquisition of investment properties and sale of investment properties. The Board, with the assistance of the Investment Adviser, excluding Richard Moffitt, carefully reviews and scrutinises each fee payable to M1 Agency LLP, and ensures the fees are in line with market rates and on standard commercial property terms. However due to this relationship, Richard Moffitt is deemed non-independent as a member of the Board.

Environmental, human rights, employee, social and community issues

The Board recognises the requirement under the Companies Act 2006 to detail information about employees, human rights, environmental and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements do not apply directly to the Company as it has no employees, all the Directors are Non-Executive and it has outsourced all its functions to third-party service providers. The Company has therefore not reported further in respect of these provisions, however information on our commitment to sustainability can be found within the Sustainability Report on pages 31 to 38.

The Company publishes a Modern Slavery Statement in accordance with the Modern Slavery Act 2015. This can be found on the Company's website www.urbanlogisticsreit.com.

During the year, they were six Directors, five male and one female. Further information on the composition and diversity of the Board is detailed on pages 69 and 70. Following the year end and as at the date of this report, there are three male Directors and two female Directors on the Board.

Anti-bribery and corruption

The AIFM and the Investment Adviser have a zero-tolerance anti-bribery and corruption policy and are committed to carrying out business fairly, honestly and openly. The Investment Adviser undertakes annual regulatory training on anti-money laundering and anti-bribery and corruption. PCP2 Limited, the previous AIFM to the Company, had a Compliance Officer in place who monitored adherence to anti-bribery and corruption policies. Post year end, this function will now be fulfilled by the Company's new AIFM, G10 Capital Limited.

The Company has a whistleblowing policy with appropriate links to the Chairman and/or Audit Committee Chairman.

Nigel Rich CBE

Chairman

21 June 2023