

## **STOBART GROUP LIMITED (the "Company")**

### **PROPERTY OPERATING BOARD – TERMS OF REFERENCE**

#### **1 MEMBERSHIP**

- 1.1 The Property Operating Board ("**Committee**") and its Chairman shall be appointed by the board of the Company ("**Board**").
- 1.2 The Committee shall have at least two members. Any two members of the Committee (including the Chairman) shall comprise a quorum.
- 1.3 Initial members of the Committee shall be appointed by the Board, and any further members shall be appointed by the Board on the recommendation of the Committee and in consultation with the Chairman of the Committee.
- 1.4 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.
- 1.5 Only members of the Committee have the right to attend committee meetings. However, other individuals such as the chief executive, other members of the Board and external advisers may be invited to attend for all or any part of any meeting, as and when appropriate and necessary. No one shall be present during the discussion of or vote on matters relating to him or her individually.
- 1.6 If a member is unable to attend a meeting due to absence, illness or any other cause, the Chairman may appoint an additional member to the Committee to serve as an alternate member, provided that at any time there is only one alternate member.

#### **2 SECRETARY**

The secretary of the Committee shall be the Secretary of the Company or such other person as the Committee may appoint.

#### **3 QUORUM**

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

#### **4 FREQUENCY OF AND NOTICE OF MEETINGS**

- 4.1 The Committee shall meet at least quarterly and as and when it deems necessary or at the request of any member.
- 4.2 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.

## **5 MINUTES OF MEETING**

- 5.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 5.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the board unless it would be inappropriate to do so.

## **6 AUTHORITY**

The Committee is authorised by the Board to:

- (a) do all such acts and deeds as are required to perform its duties;
- (b) seek any information it requires from any employee to perform its duties; and
- (c) engage, at the Company's expense, external independent, legal or other advisors on any matter within its terms of reference; to permit their attendance at Committee meetings and to be exclusively responsible for selecting and appointing them and setting their terms of reference.

## **7 DUTIES**

The Committee shall carry out the duties listed below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate ("**the Group**").

### **7.1 Delivering and implementing the Group's Estates Business Plan ("Business Plan")**

- (a) Propose an annual draft Business Plan to the Board for the Group's property portfolio;
- (b) Oversee the delivery of the Business Plan within the agreed financial limits; and
- (c) Review and commit the Group to all/any actions contained in the Business Plan, save where the Board requests for a specific report before implementation.

### **7.2 General property matters**

- (a) Advise the Board on major property and property related issues that may impact on the Group's performance; and
- (b) Review and authorise (as appropriate) decisions on routine lease renewals, rent reviews, new lettings and property management.

### **7.3 Acquisitions and disposals**

Approve and deliver property acquisitions and disposals required by the Group's operational divisions to support the Business Plan.

### **7.4 Other matters**

- (a) Bring to the Board any real estate initiatives that arise outside the Business Plan that have the potential to enhance the Group's performance; and
- (b) Make unforeseen or urgent property decisions required outside the Business Plan which are less than £5m in capital value or £500,000 rent per annum.

## **8 PROCEDURE**

- 8.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 8.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 8.3 The Company's Chief Executive, other members of the Board or external advisers may be invited to attend and speak at meetings (or parts thereof) of the Committee. Other persons may be called upon or shall be able to speak by prior arrangement with the Chairman of the Committee.

## **9 REPORTING**

- 9.1 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 and shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.2 The Chairman of the Committee should attend the Company's Annual General Meeting ("**AGM**") for the purpose of handling any questions or enquiries at the meeting concerning the work of the Committee during the preceding year.
- 9.3 Minutes shall be kept of issues considered at each Committee meeting.

## **10 OTHER MATTERS**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties;
- 10.2 give due consideration to laws and regulations, the provisions of the Combined Code and the requirements of the UK Listing Authority's Listing, Prospectus, Disclosure and Transparency Rules and any other applicable rules as appropriate;
- 10.3 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.