MANAGEMENT ENGAGEMENT COMMITTEE REPORT

"Dear Shareholders,
The Committee's main focus since my appointment as Chair in the summer has been to conduct a detailed review of the services provided by the Company's key suppliers in order to implement the rolling re-tender programme. We have also effectively implemented the procedural change to the Investment Management Agreement and, as a consequence of that change, advised the Board to tender the Company Secretarial function."

Membership

Susanne Given Chairman
Richard Jewson, Jim Prower, Aubrey Adams, Stephen Smith*

Priorities for 2017

- Implementation of the re-tender schedule commencing with the re-tender of the Company Secretarial Function.
- Procedural clarification to the Investment Management Agreement.
- Annual review of each service provider to ensure the quality of service and value for money for the Shareholders.

Meeting attendance register

PERSON	MEETINGS ELIGIBLE TO ATTENDED	MEETINGS ATTENDED
Susanne Given	2	2
Richard Jewson	2	2
Jim Prower	2	2
Aubrey Adams	2	2
Stephen Smith	0	0

* Stephen Smith was Chair of the Management Engagement Committee until his resignation. Aubrey Adams was appointed to the Management Engagement Committee on 11 September 2017.

The Management Engagement Committee's role is to review the performance of the Manager and the Company's main service providers and to recommend the re-tender of their appointments for consideration by the Board. The Committee is also responsible for overseeing any amendments to the Investment Management Agreement.

We met twice in the year to 31 December 2017, to review the Company's relationships with its main service providers, their performance and the terms of their appointment, and to review the Company's relationship with the Manager, the Manager's performance and the terms of the Manager's appointment.

We conducted a comprehensive review of the performance of the Manager and, together with the Manager and the Company Secretary, all of the Company's corporate advisers and principal service providers. This included an assessment of the ongoing requirement for the provision of such services, the fees paid to and the performance of such advisers and service providers and additional added value given by the Manager and the Company's service providers and advisers, and whether additional services were required. The review was for the period ending 30 June 2017, thereby allowing the Committee to refer to figures reviewed by the Auditor in its assessment of performance.

Under the terms of the Investment Management Agreement, the Board has delegated day-to-day responsibility for running the Company to the Manager, including sourcing of investment opportunities in line with the Company's Investment Policy, responsibility for investment and divestment decisions made in accordance with the Company's Investment Policy, asset management of the existing portfolio, negotiation of debt facilities within the parameters of the Company's policy on gearing and liaising with the Company's advisers on equity fundraisings. As all of the Company's subsidiaries and therefore all of its assets are wholly owned and controlled by the Company, the Board exercises direct control in respect of the Group's holdings.

The Investment Management Agreement was formally amended on 11 September 2017 to reflect the clarification made to the investment process adopted by the Company. This amendment establishes that responsibility for investment and divestment decisions is delegated to the Manager in accordance with ESMA guidance as to the interpretation of the rules under the AIFMD. Investment and divestment decisions must be made in accordance with the Company's Investment Policy and the Board remains responsible for ensuring this is the case.

The Board continues to review all investment and divestment decisions as well as the asset management policy established by the Manager. The Service Level Agreement has been well implemented over 2017 and we noted that the Board has commented on the improvement in the timeliness of the dissemination of Board papers, the quality of the information received and the quality of the research and training papers.

To ensure open and regular communication between the Manager and the Board, the Manager is invited to attend all Board meetings, to update the Board on the Company's investments and discuss the market generally and to discuss the financial performance and strategy of the Company. Details of the Company's performance in 2017 have been set out in the Strategic Report on pages 1-77. The Manager has adopted a focused approach to investing with the Company acquiring 11 Big Boxes during the year, which offer opportunities for capital appreciation through income growth and asset management initiatives. As a result of acquisitions sourced and executed by the Manager, the Company has diversified its portfolio by tenant and geography while providing a high level of income security. 41.3% of our rent roll is underpinned by leases of more than 15 years' unexpired term. The Company has also acquired a significant development site of prime land at Littlebrook on the south side of the River Thames at Dartford.

The Committee also reviews the Manager's culture and resourcing. The Manager increased the number of people it employed in 2017 to ensure that the Company is well serviced and made the following appointments of note; Charlie Withers, a highly experienced property specialist, to oversee Littlebrook, future developments and certain asset management initiatives; and Sally Bruer as Head of Research with a particular focus on the Company and its market sector. The Manager also promoted Bjorn Hobart and Petrina Austin to equity partners. We are confident following our review that the Manager continues to provide excellent service to the Company and provides fair value for money to the Company's Shareholders.

Following an extensive review and full analysis, we agreed with the Manager that the performance of all of the Company's current service providers for the past year continued to be satisfactory, and in several cases exceptional, and, in accordance with the Manager's recommendation, that each be retained until the next review. We did not formally review the appointment of PwC LLP as corporate services and tax advisor to the Company as this appointment is very recent. The appointment will form part of the 2018 review. We did not suggest any material changes to the engagement terms of any of the advisers or service providers.

Our review did not reveal any material weaknesses in the advice and support provided to the Group. We are satisfied that the Company is benefiting from added value in respect of the services it procures.

However, in order to ensure that the Company continues to receive the very best service and value from its service providers, the Management Engagement Committee has recommended a schedule of re-tendering to the Board which sets out a timetable for each professional appointment to be re-tendered. The re-tendering programme started in 2017 with the re-tender of the Auditor and the appointment of a new corporate finance and tax compliance and advisory work to the Group in the form of PwC. Details of the Audit re-tender can be found in the Audit Committee Report.

Following the clarification of the Manager's responsibilities under the Investment Management Agreement the Committee recommended to the Board that the Company Secretarial function be re-tendered to ensure that the Company follows best practice corporate governance at all times. The Company launched the re-tender of the Company Secretarial function in November 2017 and it is expected to complete in March in 2018.

Management fee

Under the Investment Management Agreement, as amended and restated on 11 September 2017, the Manager is entitled to a management fee in consideration for its services. This is payable in cash by the Company each quarter and is calculated as a percentage of the Company's Net Asset Value ("NAV"), disregarding cash or cash equivalents, announced before the end of the relevant quarter. 25% (net of associated costs) of the management fee is reinvested in shares of the Company within 60 days following the release of the Company's financial results to the market. If the Group buys or sells any assets after the date at which the relevant NAV is calculated, the NAV is adjusted pro rata for the net purchase or sale price, less any third-party debt drawn or repaid while remaining capped at NAV.

See Strategic Report, pages 1-77
See Audit Committee Report, pages 96-100

The management fee as a percentage of NAV is as set out below:

NAV	RELEVANT PERCENTAGE
Up to and including £500 million	1.0%
Above £500 million up to and including £750 million	0.9%
Above £750 million up to and including £1 billion	0.8%
Above £1 billion up to and including £1.25 billion	0.7%
Above £1.25 billion up to and including £1.5 billion	0.6%
Above £1.5 billion	0.5%

During specified periods after publication of the Company's annual or interim results the members of the Manager and relevant employees (and/or their connected parties) will use 25% of the management fee (net of any VAT, personal taxation liabilities and dealing costs, including stamp duty or stamp duty reserve tax) (the "net cash amount"), to subscribe for Ordinary Shares in the Company. The price will be equivalent to the prevailing NAV per share, adjusted for any dividend declared after the NAV per share is announced. Where this would result in Ordinary Shares being issued at a price below the NAV per share, the Company's Broker will be instructed to acquire Ordinary Shares in the market for those persons, to the value as near as possible equal to the net cash amount. The Ordinary Shares may be issued to any members of the Manager or, at the discretion of the Manager, to any employee of the Manager.

On 13 April 2017, the Company issued 528,528 Ordinary Shares in respect of the net cash amount, relating to the six months to 31 December 2016. The issue price was 126.45 pence per Ordinary Share, equivalent to the prevailing and published audited basic NAV of 128.00 pence per Ordinary Share less the interim dividend of 1.55 pence per Ordinary Share, for which the shares did not qualify, paid to Shareholders on or around 3 April 2017 for the period between 1 October to 31 December 2016. On 3 October 2017, the Company issued 557,085 Ordinary Shares in respect of the net cash amount, relating to the six months to 30 June 2017. The issue price was 130.83 pence per Ordinary Share, equivalent to the prevailing unaudited basic NAV of 132.43 pence per Ordinary Share less the interim dividend of 1.60 pence per Ordinary Share, for which the shares did not qualify, paid to Shareholders in August 2017 in respect of the period from 1 April to 30 June 2017. Following these issues of Ordinary Shares, the Manager as at the year end had the following beneficial interests:

TRITAX PARTNER OR PERSON CLOSELY ASSOCIATED	NUMBER OF MANAGEMENT SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL AS AT 31 DECEMBER 2017
Mark Shaw	822,027	0.060%
Colin Godfrey	741,757	0.054%
James Dunlop	690,796	0.051%
Henry Franklin	520,302	0.038%
Bjorn Hobart	61,843	0.005%
Petrina Austin	41,883	0.003%
Tritax Management LLP	83,161	0.006%
Staff of Tritax Management LLP*	105,177	0.008%
Total	**3,066,946**	**0.225%**

* This figure comprises Ordinary Shares issued to staff at Tritax Management LLP under the terms of the Investment Management Agreement and at IPO, and does not include other shares that may have otherwise been acquired by any staff members.

Extension to term

The earliest termination date of the Investment Management Agreement is 31 December 2021. In order to terminate on that date, 24 months' notice of termination would need to be given by either party by 31 December 2019. Thereafter either party can terminate the Investment Management Agreement by giving at least 24 months' notice. The provisions allowing the parties to terminate without notice in certain circumstances, including material breach and/or loss of key personnel, remain in place.

Conflict management

The Investment Management Agreement contains restrictive conflict provisions and the Manager is not permitted in any circumstance to manage another fund with an exclusive investment strategy focusing on distribution or logistics assets in excess of 300,000 sq ft located within the UK. The Manager is permitted to acquire and manage UK distribution or logistics assets which provide less than 300,000 sq ft of accommodation on behalf of other funds subject to certain caveats designed to ensure that any assets which may be of interest to the Company are offered to the Company in priority to other funds managed by the Manager.

We will review the continuing appointment of all of the Company's principal service providers and the performance of the Manager on an annual basis and ensure they are in the best interests of Shareholders as a whole.

Susanne Given Chairman of the Management Engagement Committee
7 March 2018