

TERMS OF REFERENCE for the Management Engagement Committee

Updated and Adopted by the Board on the recommendation of the Committee on 20 May 2020

The Management Engagement Committee is appointed by the Board in accordance with the Articles of Association of the Company under the following terms of reference.

Composition

The Committee shall comprise all the independent non-executive directors. The Chair of the Committee shall be appointed by the Board from amongst the independent non-executive directors. The Chair of the Board shall be eligible to be a member and if elected, Chair of the Committee.

Appointments to the Committee shall be from appointment until retirement as Director, unless otherwise determined by the Board. Any Committee member who fails to remain independent will step down. An independent director is one who meets the AIC guidelines as being independent of any relationships with the investment manager and is declared so by the Board.

Quorum

The quorum necessary for the transaction of business shall be two independent non-executive directors.

Attendance at Meetings

Only members of the Committee have the right to attend Committee meetings. However, representatives of the investment manager, other directors and other external advisors shall attend meetings at the invitation of the Committee. The company secretary shall act as secretary of the Committee.

The Chair of the Committee shall attend the AGM to respond to any questions through the Chair of the Board which may be raised by shareholders on matters within the Committee's area of responsibility or activities.

Frequency of Meetings

Meetings shall be held not less than once a year.

Authority

The Committee is authorised by the Board to:

- Investigate any activity within its terms of reference;
- Seek any information that it requires from the investment manager or any other supplier to the Company in order to perform its duties and;
- Obtain, at the expense of the Company, outside legal or other independent professional advice on any matters within its terms of reference and such advisors may attend a meeting as necessary; and
- Have access to sufficient resources in order to carry out its duties, including access to the secretariat for assistance as required.

Responsibilities

The Committee should consider the following issues:

- The investment performance of the manager and if necessary, provide appropriate guidance;
- Obtaining on a regular basis independent appraisal of the manager's services;
- Monitoring and reviewing attribution and other financial analyses;
- Reviewing the continued retention of the manager's services;
- Reviewing the level and basis of remuneration, basis for performance fees and notice periods giving due weight to the Company's competitive position against its peer group;
- Ensuring that the performance fee arrangements do not lead to excessive portfolio risk;
- The terms of the investment management agreement to ensure that they are competitive and sensible to shareholders and negotiate terms with the manager; and
- Produce a statement for inclusion in the Company's annual report on the performance and retention of the manager, including why the manager should continue in its role.