



MANCHESTER AND LONDON INVESTMENT TRUST PLC

MANAGEMENT ENGAGEMENT COMMITTEE TERMS OF REFERENCE

1. PURPOSE

- 1.1 The Committee is appointed by the Board to review the appropriateness of the continuing appointment of the Investment Manager and other third-party service providers together with the terms and conditions of the Investment Manager's and other third-party service providers' continuing appointment on a regular basis to accord with the relevant principles of the AIC Code of Corporate Governance as amended in July 2016;
- 1.2 The Committee will ensure the terms and conditions of the Investment Manager and other third-party service providers promote behaviours that align with the investment policy and objective of the Company.

2. MEMBERSHIP, SECRETARY AND QUORUM

- 2.1 The Committee is appointed by the Board and comprises of two members, one of whom shall act as Chairman of the Committee. Other individuals, such as external advisers, may be invited to attend Committee meetings as and when appropriate and necessary;
- 2.2 The Company Secretary or their nominee shall act as the Secretary of the Committee;
- 2.3 The quorum necessary for the transaction of business shall be two.

3. MEETINGS AND MINUTES

- 3.1 The Committee shall meet at least once a year and otherwise as required;
- 3.2 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

4. DUTIES

The Committee shall:

- 4.1 Review, at least annually, the performance of the Investment Manager's obligations under the Investment Management Agreement and make recommendations to the Board on any variation to the terms of the Investment Management Agreement (including the level of fees) which it considers necessary or desirable;
- 4.2 Consider whether the appointment of the Investment Manager continues to be in the interests of shareholders and accords with all relevant regulatory and industry requirements;
- 4.3 Consider the merit of obtaining, on a regular basis, an independent appraisal of the Investment Manager's services;
- 4.4 Review the performance of, and contractual arrangements with, other third-party service providers, including the Company Secretary, Fund Accountant, Registrar, Administrator and, where relevant, AIFM provider.

5. REPORTING RESPONSIBILITIES

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities make whatever recommendations to the Board it deems appropriate on any area within its remit.

6. OTHER

The Committee shall:

- 6.1 Have access to sufficient resources to carry out its duties, including access to the Company Secretary for assistance and independent professional advice at the expense of the Company as required;
- 6.2 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;
- 6.3 Give due consideration to the provisions of the UK Corporate Governance Code (and if applicable, the AIC Code of Corporate Governance) and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other Applicable Laws, as appropriate;
- 6.4 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.

7. APPROVAL

These terms of reference were approved by the Committee on 27 September 2016 and adopted by the Board on 27 September 2016.