

THE BANKERS INVESTMENT TRUST PLC

Terms of Reference of the Management Engagement Committee

1. Constitution

The Committee is constituted by the Board of Directors and assists the Board in evaluating the performance of the Manager and other third party service providers engaged by the Company.

2. Membership

- 2.1 The membership shall comprise the Chairman and all directors of the Company independent of the Manager.
- 2.2 The Chairman of the Board may be a member of and chair the Committee, provided he/she is independent of the manager.

3. Meetings

- 3.1 The Committee shall meet at least on an annual basis.
- 3.2 A **quorum** shall be any two members of the Committee.
- 3.3 Where the Chairman of the Board does not form part of the quorum, the Committee shall appoint any one of its members attending a meeting as Chairman.
- 3.4 Only members of the Committee have the right to attend meetings, but the Committee may invite others, including but not limited to any director, officer or employee of the Manager or any person whose advice is sought, to attend all or part of any meeting if it thinks it is appropriate or necessary.
- 3.5 A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.6 Meetings of the Committee are called by the Company Secretary of the Committee at the request of any of its members.

4. Secretary

- 4.1 The Company Secretary or their nominee shall act as the Secretary to the Committee.
- 4.2 The Secretary must ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 4.3 The Secretary must minute the proceedings and resolutions of all meetings of the committee, including recording the names of those present and in attendance.

5. Duties

To fulfil the duty under section 172 of the Companies Act 2006, each individual director must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and in doing so, have regard to a number of broader matters including:

- (a) the likely consequences of any decision in the long-term;
- (b) the need to foster the Company's business relationships with suppliers, customers and others;
- (c) the impact of the Company's operations on the community and the environment;
- (d) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (e) the need to act fairly between members of the Company.

The Committee shall:

- 5.1 review, at least annually, the contractual relationships with the Manager and terms of the Management Agreement, to ensure they are competitive and in the interests of shareholders as a whole, making recommendations to the Board on any variation to the terms which it considers necessary or appropriate;
- 5.2 review, at least annually, the performance of the Manager and describe its decisions and rationale in the Annual Report;
- 5.3 consider whether the appointment of the Manager continues to be in the interests of shareholders;
- 5.4 if it considers necessary or appropriate to negotiate / re-negotiate terms with the Manager;
- 5.5 review the standard of any administrative, company secretarial or sales and marketing support provided by the Manager, whether under the terms of the Management Agreement or simply as part of a non-contractual obligation of understanding;
- 5.6 review, monitor and evaluate, at least annually, the performance of the Company's third-party service providers in meeting their obligations under their respective agreements and to ensure their continued competitiveness and effectiveness, making recommendations on any variation to the terms which it considers necessary or appropriate;
- 5.7 assess the company's third-party service providers in their role as stakeholders and whether there is an appropriate level of engagement with them; and
- 5.8 consider any points of conflict which may arise for the providers of services to the Company.

6. Reporting responsibilities

- 6.1 The Committee Chairman shall report to the Board on its proceedings after each meeting and attend the annual general meeting to answer any shareholder questions on the Committee's activities.

The Committee shall:

- 6.2 make a statement in the Annual Report concerning its activities; and
- 6.3 keep these terms of reference under regular review, making them available to explain its role and the authority delegated to it by the Board.

7. Support

The Committee shall:

- 7.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and external broker, legal or other professional advice for assistance as required on all Committee matters;
- 7.2 give due consideration to the applicable laws and regulations, the provisions of the AIC Code on Corporate Governance and the requirements of the Financial Conduct Authority's Listing, Prospectus, Disclosure Guidance and Transparency Rules; and
- 7.3 oversee any investigation of activities which are within its terms of reference.

8. Authority

The Board authorises the Committee to:

- 8.1 undertake any activity within its terms of reference;
- 8.2 seek any information from the Manager or third party that it requires to perform its duties;
- 8.3 obtain external legal or other professional advice on any matter within its terms of reference at the Company's expense, and to invite persons giving such advice to attend Committee meetings; and
- 8.4 call the Manager or any third party to be questioned at a Committee meeting, as and when required.
