

LOWLAND INVESTMENT COMPANY PLC

Management Engagement Committee Terms of Reference

1. Membership

- 1.1 The Committee is appointed by the Board, in accordance with the Articles of Association of the Company (Article 125).
- 1.2 Members of the Committee shall be appointed by the Board and shall be drawn from the independent non-executive directors of the Company. The Committee shall be made up of at least two members.
- 1.3 Appointments to the Committee shall be for a period up to three years which may be extended.
- 1.4 The Committee shall be chaired by the Chairman of the Company.
- 1.5 Members must declare any conflicts of interest or potential conflicts of interest at the start of each meeting

2. Secretary

The Secretary shall act as Secretary of the Committee.

3. Quorum

The quorum necessary for the transaction of business shall be two members.

4. Frequency of Meetings

The Committee will meet at least annually and as and when required.

5. Notice of Meetings

Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman or the Board.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance.
- 6.2 The minutes of the Committee meetings shall be circulated with the next set of Board papers for review.

7. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

8. 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.

Committee members should have regard to these matters when considering the business of the Committee.

The Committee shall:

- 8.1 review, at least annually, the contractual relationships with the Manager and terms of the Investment Management Agreement, to ensure they are competitive and in the interests of shareholders, and make recommendations to the Board on any variation to the terms which it considers necessary;
- 8.2 review, at least annually, the performance of the Manager and describe its decisions and rationale in the Annual Report;
- 8.3 negotiate terms with the Investment Manager;
- 8.4 review, monitor and evaluate, at least annually, the performance of the Company's other third-party service providers in meeting their obligations under their respective agreements, making recommendations on any variation to the terms which it considers necessary;
- 8.5 assess all third-party service providers in their roles as stakeholders, and whether there is an appropriate level of engagement with them;
- 8.6 consider the appointment and remuneration of the Company's third-party service providers, considering alternative suppliers where necessary; and
- 8.7 make proposals to the Board on any other matter within its term of remit.

9. Reporting Responsibilities

- 9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit or where action or improvement is needed.

9.3 The Committee shall make a statement in the Annual Report about its activities.

10 Other

The Committee shall, at least once a year, review its own performance, constitution and terms of reference ensuring it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11 Authority

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.