

MANAGEMENT ENGAGEMENT COMMITTEE

TERMS OF REFERENCE

Function

The Management Engagement Committee (the “Committee”) is appointed by the Board to review the performance of the Manager and to ensure that the Company’s management contract is competitive and reasonable for the Company’s shareholders.

1. Membership and quorum

1.1 The Committee shall consist of all of the independent non-executive Directors of the Board. The Chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman the remaining members present shall elect one of their number to chair the meeting.

1.2 The quorum necessary for the transaction of business shall be 2 Committee members.

2. Secretary

The Company Secretary shall act as the Secretary of the Committee and shall circulate minutes of the meetings of the Committee to all members of the Board.

3. Frequency of Meetings

The Committee shall meet once a year and at such other times as the Chairman of the Committee shall require.

4. Duties

The Committee’s duties are to:-

4.1 review the Investment Manager’s remuneration and terms of appointment;

4.2 review the performance of the Manager;

4.3 review not less than once a year the terms of the management contract between the Company and its Manager and to ensure that the terms are competitive, fair and reasonable for the Company’s shareholders;

4.4 review and make recommendations to the Board on any proposed amendment to or material breach of the management contract;

4.5 to consider not less than once a year whether it is in the interest of shareholders as a whole that the management contract should continue; and

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4.6 make whatever recommendations to the Board it deems appropriate and compile a report to shareholders to be included in the Company's Annual Report and Accounts.

5. Authority

The Committee is authorised to obtain outside legal or other independent professional advice on any matters within its terms of reference at the Company's expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Adopted January 2005