

**AVI Global Trust plc**  
**Management Engagement Committee – Terms of Reference**

**Background**

These terms of reference have been produced to accord with the relevant Principles of the AIC Code of Corporate Governance published in February 2019. The Financial Reporting Council has confirmed that AIC Member companies which report against the AIC Code of Corporate Governance and who follow the AIC's Corporate Governance Guide for Investment Companies will be meeting their obligations in relation to the UK Corporate Governance Code and Listing Rule 9.8.6.

**Composition of the Committee**

The Committee shall be comprised of three or more independent Directors.

The Chairman of the Board shall act as the Committee Chairman, provided that they are independent of the Manager.

**Meetings**

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

A quorum shall be any two members including the Chairman of the Committee, or the Chairman's nominated delegate.

Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee not less than three working days prior to the date of the meeting.

The minutes of each meeting of the Committee shall be circulated to all members of the Committee. Any Director, upon request to the Secretary, may obtain copies of the Committee's agenda and minutes provided that there are no conflicts of interest.

The Chairman of the Committee will report to the Board on the Committee's decisions and recommendations.

## **Attendance**

The Committee may invite non-independent Directors to attend and may request representatives of the third-party service providers to the Company or any other relevant person to attend meetings, but such invitees have no right of attendance.

## **Resources**

The Committee shall be provided with sufficient resources to undertake its duties.

The Company Secretary shall act as Secretary to the Committee.

## **Authority**

The Committee is authorised to:

- seek any information that it reasonably requires from a representative of any third-party service provider in order to perform its duties
- request a representative of a third-party service provider to attend any meeting of the Committee
- obtain at the Company's expense outside legal or other professional advice on any matters within its terms of reference
- have timely and unrestricted access to relevant documents relating to the affairs of the Company.

## **Duties and Responsibilities**

### ***Review of performance of and contractual arrangements with the manager***

The Committee shall review at least annually the contractual relationships with, and scrutinise and hold to account the performance of, the Manager and describe its decisions and rationale in the Annual Report. The Committee shall:

- monitor and evaluate the Manager's investment performance and, if necessary, provide appropriate guidance;
- consider the merit of obtaining, on a regular basis, an independent appraisal of the Manager's services;
- review from time to time the terms of the Investment Management Agreement to ensure that the terms thereof conform with market and industry practice and remain in the best interests of shareholders and make recommendations to the Board on any variation to the terms of the Investment Management Agreement which it considers necessary or desirable;

- regularly review the continued retention of the Manager's services and recommend to the Board whether the continuing appointment of the Manager is in the best interests of the Company and shareholders, and the reasons for this recommendation;
- review the level and method of remuneration and the notice period. Due weight should be given to the competitive position of the Company against its peer group, including an analysis of all relevant costs and ongoing charges;
- consider whether the annual fee should be based on gross assets, net assets or market capitalisation;
- require the Manager to provide appropriate analyses of risk and ensure that a sound system of risk management and internal control is maintained to safeguard shareholders' investment and the Company's assets.

***Monitoring and evaluation of other service providers***

The Committee shall monitor and regularly evaluate all other non-investment management services provided to the Company (including but not limited to those of the Custodian, Depositary, Stockbroker, Share Registrars, Fund Administrator and Company Secretary) to ensure that they comply with the terms of the relevant service agreement with the Company and that such terms follow good industry practice, are competitive and are in the best interests of shareholders. The Committee shall establish procedures by which service providers should report back and the methods by which these providers are monitored and evaluated. The Committee shall also consider any points of conflict which may arise between the providers of services to the Company. The Committee shall report accordingly in the Company's Annual Report.

Approved by the Board on 7 November 2019