

The Edinburgh Investment Trust plc

**TERMS OF REFERENCE OF THE MANAGEMENT ENGAGEMENT COMMITTEE (THE
'COMMITTEE') OF THE BOARD OF DIRECTORS (THE 'BOARD') OF
THE EDINBURGH INVESTMENT TRUST PLC (THE 'COMPANY')**

1. Objectives

- 1.1 The purpose of the Committee is to review the performance of contractual arrangements with, and the continued retention of Liontrust Fund Partners LLP (the "Investment Manager") and assist the Board as required in generally managing the relationship with the Investment Manager on behalf of the Company.

2. Authority

- 2.1 The Committee should be provided with sufficient resources to undertake its duties. The Board authorises the Committee, within the scope of its responsibilities to seek any information it requires from any of the Company's service providers.
- 2.2 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.
- 2.3 The Committee may invite such other persons to attend its meetings, as it deems necessary.
- 2.4 The Committee shall, at least once a year, review its own performance, 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.

3. Organisation

Membership

- 3.1 This Committee will consist of the entire Board and will be chaired by an appointed board member. Sub-groups may be asked to carry out detailed preparation work (e.g. on performance) and report to the full Committee. If it considers it necessary, the Committee may employ outside specialists to assist its work. Members of the Management Company and other service providers will only attend if invited to do so and will not normally attend meetings of the Committee.
- 3.2 In the absence of the Committee Chair and/or an appointed deputy, the remaining members shall elect one of themselves to Chair the meeting.
- 3.3 A quorum for any meeting of the Committee will be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.4 The Company Secretary or their nominee shall act as the Secretary of the Committee.
- 3.5 Members shall 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.

Administration of Meetings

- 3.6 The Committee will normally meet at least annually. Additional meetings, e.g. initially to determine measurement criteria and to react to specific events, may be called at the request of any member.
- 3.7 Meetings of the Committee shall be summoned by the Company Secretary of the Company at the request of any of its members. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded

to each member of the Committee and any other person required to attend, no later than five working days before the meeting.

- 3.8 The Company Secretary shall ascertain the existence of any conflicts of interest and minute them accordingly.
- 3.9 The Company Secretary shall ensure that the Committee is kept properly informed and should take the initiative in supplying information in a timely manner to enable full and proper consideration to be given to the issues.
- 3.10 The Chair of the Committee should attend the Annual General Meeting (in their absence at least one other member of the Committee should attend) and be prepared to respond to shareholder questions on the Committee's activities.

4. Roles and Responsibilities

The responsibilities of this Committee will be:

- 4.1 To monitor and review the performance of the Investment Manager. In evaluating the performance of the Investment Manager, the criteria to be used will include:-
- (a) Investment Performance
 - Performance of gross/net assets
 - Debt management
 - Maintenance of agreed risk profile
 - Income generation
 - Consistency of overall philosophy and style
 - (b) Marketing Performances
 - Quantitative measures, e.g. sales results of savings scheme, wrapper products
 - Relationship maintenance
 - Institutions
 - IFA/Private Client Advisers
 - Promotional material
 - (c) Communication/Support
 - Adequacy/Quality of Board Papers
 - Manager's perceived contribution to Board meetings
 - Awareness of Developments in Trust/Savings sectors
 - Other appropriate support to Board
- 4.2 To monitor and review the performance of the Company Secretary.
- 4.3 To monitor and review the services provided by the Investment Manager and Administrator in relation inter alia to:
- (i) Finance and Control environment, and
 - (ii) Compliance and Audit.
- 4.4 To review whether the terms of the Investment Management Agreement should be altered in any way at least once in every five years.
- 4.5 To evaluate the services provided by third parties, e.g. the custodian, the registrar, the Company's brokers, the Company's solicitors, so as to ensure their continued competitiveness and effectiveness.
- 4.6 To provide feedback to the Investment Manager on its performance, and to suggest where changes/improvements are called for.

Reporting Responsibilities

- 4.7 The Chair of the Committee shall report formally to the Board after each meeting on all matters within its duties and responsibilities.
- 4.8 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed.
- 4.9 The Committee shall produce a report on its activities to be included in the Company's annual report, as required.

Approved by the Committee on 7 February 2023