

Schroder British Opportunities Trust plc

Terms of Reference

For the Management Engagement Committee

Function

1. The function of the Committee is to ensure that the Company's alternative investment manager remains suitable to manage the portfolio, that the management contract is competitive and reasonable for the shareholders, and that the Company maintains appropriate administrative and company secretarial support.

Membership

2. The Committee shall be appointed by the board and its membership shall be the same as the membership of the board. A quorum shall be two members.
3. The chairman of the Committee shall be appointed by the board. In the absence of the committee chair and/or an appointed deputy at a committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

Meeting

4. The Committee shall meet at least annually.

Secretary

5. The company secretary or a nominee of the committee's choice shall act as the secretary of the Committee and shall attend its meetings, apart from any review that the Board undertakes of the secretary.

Authority

6. The Committee is authorised by the board to investigate any activity within its terms of reference and seek any information it may require. It is authorised to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

7. The duties of the Committee shall be:
 - (a) to review the terms of the Alternative Investment Fund Manager Agreement between the Company and Schroder Unit Trusts Limited (the "Manager"), and to ensure that the terms are competitive, fair and reasonable for shareholders;
 - (b) to review the performance of the Manager to ensure that it remains suitable to manage the portfolio and that the continued appointment of the Manager is in the best interests of shareholders;
 - (c) to review the other services provided to the Company by the Manager, including Company Secretarial, Fund Accounting, Sales, Marketing and Public Relations services;
 - (d) to review and make recommendations on any proposed amendment or material

- breach of the management contract; and
- (e) to review and make recommendations on the terms of appointment and remuneration of other service providers to the Company and to monitor their compliance with the terms of their respective agreements with the Company from time to time;

Reporting

- 8. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee and the board.
- 9. At least annually, review its 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.