

# INTERNATIONAL BIOTECHNOLOGY TRUST PLC

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## Management Engagement Committee Terms of Reference

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Approved on 5 February 2020

### Function

1. The function of the Management Engagement Committee is to ensure that the Company's investment management agreement is competitive and reasonable for the shareholders, along with the Company's agreements with all other third party service providers. The Committee shall also review the performance of the Investment Manager and the other third party service providers on a periodic basis.

### Membership

2. The Committee shall be appointed by the Board and shall consist of not less than three members all of which shall be independent non-executive Directors of the Company. A quorum shall be two members.
3. Only members of the Committee have the right to attend Committee meetings. However, external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
4. The Chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

### Meeting

6. The Committee shall meet as and when required and no less than once a year.
7. Meetings of the Committee shall be summoned by the Company Secretary at the request of any of its members if they consider it necessary.

### Secretary

8. The Company Secretary shall be the secretary of the Committee and shall attend the annual meeting.
9. The Company Secretary will record the existence of any conflicts of interest and minute accordingly.
10. The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board, unless a conflict of interest exists.

### Authority

11. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

### Responsibilities

12. The responsibilities of the Committee shall be:-

- (a) to review the terms of the Investment Management Agreement between the Company and the Fund Manager, and to ensure that the terms are competitive, fair and reasonable for the Shareholders;
- (b) to review and make recommendations on any proposed amendment or material breach of the Investment Management Agreement;
- (c) to review the performance of the Investment Manager including the on-going suitability of the Investment Manager to manage the assets of the Company, on at least an annual basis; and
- (d) to review performance of, and the terms of the Company's arrangements with, other third party service providers (exclusive of the review of the Company's appointed Auditors which falls under the remit of the Audit Committee) and to ensure that the terms are competitive, fair and reasonable for Shareholders.

### **Reporting**

13. The Committee Chairman, or in his absence the elected Chairman of the relevant meeting, shall report on the issues raised at the meeting and make relevant recommendations to the Board at the earliest opportunity.