

Bellevue Healthcare Trust plc
Management Engagement Committee – Terms of Reference

(Adopted November 2016, revised March 2022)

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 (Principles 16 to 18). The Financial Reporting Council has confirmed that AIC Member companies who report against the AIC Code of Corporate Governance will be meeting their obligations in relation its UK Corporate Governance Code and their Listing Rules obligations.

Composition of the Committee

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

The Committee Chairman shall be appointed by the Board.

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.

Any action of the Committee may also be taken by an instrument or instruments in writing, including via email or other electronic means, including via the use of electronic signatures by all members of the Committee and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose

The Company Secretary shall act as Secretary to the Committee.

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

Attendance

The Committee may invite other 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 shall have no right of attendance.

Authority

The Committee is authorised to:

- seek any information 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; and
- have timely and unrestricted access to relevant documents relating to the affairs of the Company.

Manager

The board should regularly review both the performance of, and contractual arrangements with, the manager.

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.
- Require the manager to provide attribution and volatility analyses and consider whether it should be published at least annually.
- Review at least annually the continued retention of the manager's services.
- 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.
- Consider whether the annual fee should be based on gross assets, net assets or market capitalisation.
- Ensure that the manager has an appropriate risk management and internal control system.
- Review the engagement of the other main service providers

The AIC has produced a paper entitled "Evaluation of the Manager: A Paper for Non-Executive Directors of Investment Companies on meeting the requirements of the Listing Rules" which is available on the AIC's website at www.theaic.co.uk/technical.

Reporting requirements

- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed.
- The Committee shall produce a report on its activities to be included in the Company's annual report, as required.

March 2022