
TERMS OF REFERENCE

Management Engagement Committee

of

India Capital Growth Fund Limited

Adopted by the Board
on 16 August 2017

Last Reviewed: 27 March 2024

India Capital Growth Fund Limited
Management Engagement Committee – Terms of Reference

The Management Engagement Committee (the “**Committee**”) is a committee of the Board of Directors of India Capital Growth Fund Limited (the “**Board**”), from which it derives its authority and to which it reports.

1. MEMBERSHIP, APPOINTMENT AND ATTENDEES

- 1.1 The Committee is appointed by the Board, in accordance with the Articles of Association of India Capital Growth Fund Limited (the “**Company**”).

Membership

- 1.2 The Committee shall comprise each of the independent non-executive Directors who are members of the Board.
- 1.3 The Chairman of the Committee shall be an independent non-executive Director determined by the Board.
- 1.4 At the Board meeting held on 21 September 2022, it was resolved that Elisabeth Scott would hold the position as Chairman of the Committee.
- 1.5 Members must declare any conflicts of interest or potential conflicts of interest at the start of each meeting.

Appointments

- 1.6 Appointments to the Committee shall be for a period up to three years which may be extended for up to two further period(s) of three years subject to the Committee member still meeting the criteria for membership of the Committee.
- 1.7 All Directors shall seek re-election on an annual basis. Members shall be appointed to the Committee on the same basis.
- 1.8 The Chairman of the Committee shall be appointed by a majority of the Board and may be paid an additional fee in recognition of the extra duties involved. The Chairman will not have a second or casting vote in any matter to be determined by the Committee or recommended by the Committee to the Board.

Secretary

- 1.9 Apex Fund and Corporate Services (Guernsey) Limited (the “**Company Secretary**”) to the Board or his nominee shall act as Secretary of the Committee and provide governance and administrative support to the Committee.

1.10 Attendees

- 1.10.1 All Board members;
- 1.10.2 a representative of the Company Secretary;
- 1.10.3 such person or persons from the Investment Manager, and / or the Investment Advisor and / or the Principal Adviser (being Sanjoy Bhattacharyya) as are invited by the Committee; and
- 1.10.4 any other person(s) who the Committee may invite from time to time.

The attendees, listed above, are not members of the Committee and accordingly will be required to leave a meeting of the Committee (permanently or temporarily) if the Committee, or the Chairman of the Committee, considers it appropriate or desirable for them to do so.

2. MEETINGS AND QUORUM

Frequency of Meetings

2.1 The Committee will meet at least annually in December of each year and/or as and when deemed appropriate or convened by the Board.

Notice of Meetings

2.2 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.

2.3 The Committee shall, at least once a year, evaluate its own performance, constitution and terms and make any necessary recommendations for change to the Board, to ensure the continued maximum effectiveness of the Committee.

Annual General Meeting

2.4 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

Quorum

2.5 The quorum necessary for the transaction of business shall be two members of the Committee.

2.6 A meeting of the Committee may consist of a conference between members some or all of whom are in different places provided that each Director who participates in the meeting is able: to hear each of the other participating Directors addressing the meeting; and if he so wishes, to address each of the other participating Directors simultaneously, whether directly, by conference telephone or by any other form of communication equipment (whether in use when this article is adopted or developed subsequently) or by a combination of such methods.

2.7 A duly convened meeting of the Committee at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

3. MINUTES, REPORTING AND DISCLOSURE

Minutes

3.1 The Committee shall cause minutes of all proceedings of the Committee to be taken.

3.2 Draft minutes of Committee meetings will be circulated promptly to all members of the Committee. Once approved, and unless it would be inappropriate, signed minutes of each meeting of the Committee shall be circulated to all Directors and attendees as appropriate, provided that no conflict or conflicts of interest would arise thereby.

Reporting

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

Disclosure

3.4 A description of the Committee's duties and activities during the year shall be disclosed in the Annual Report.

4. RESOURCES, ADVICE AND TRAINING

Resource

- 4.1 The Committee shall be provided with sufficient resources to undertake its duties.
- 4.2 The Committee shall have access to the services of the Company Secretary on all Committee matters including:
- assisting the Chairman of the Committee in planning the Committee's work;
 - drawing up meeting agendas;
 - maintenance of minutes;
 - drafting of material about its activities for the annual report;
 - collection and distribution of information and provision of any necessary practical support; and
 - reports from the Investment Manager.

Advice

- 4.3 The Committee shall have the power to engage independent counsel and other professional advisers at the expense of the Company.

Induction and Training

- 4.4 The Committee shall establish any process it considers necessary for the induction of new Committee members and, where required, ongoing training of existing Committee members.

5. DUTIES

- 5.1 To regularly review the engagement and performance of the Investment Manager and also to review the terms of the agreement with the Investment Manager, to ensure they are competitive and in the interests of shareholders and in particular:
- to evaluate the performance of the Investment Manager and assess the ongoing ability of the Investment Manager to maintain compliance with the investment objective should there be changes in its investment and/or advisory teams;
 - to consider the need to have in place contingency plans for any unforeseen change of circumstances that could materially prejudice the ability of ODAM to meet their investment performance objectives;
 - to review the level of fees payable to the Investment Manager and to make recommendations to the Board;
 - to keep under review the contractual notice periods of the Investment Manager;
 - to investigate any breaches of agreed investment, gearing or leverage limits and any deviation from the Company's investment policy and strategy;
 - to evaluate the effectiveness of the Investment Manager's systems of risk management and internal controls so as to safeguard shareholders' investment and the Company's assets; and
 - to review the additional marketing and other sundry services provided by the Investment Manager.
- 5.2 To negotiate the terms under which any replacement for the Investment Manager is engaged and/or the revision of terms in force from time to time.

5.3 To consider the performance of the Company's other principal service providers and to review the terms on which they are employed.

5.4 To make proposals to the Board on any matter within its term of remit.

6. BACKGROUND

These terms of reference have been produced to accord with the relevant Principles of The AIC Code of Corporate Governance published in July 2016.

The Financial Reporting Council has confirmed that AIC Member companies that 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 its UK Corporate Governance Code published in April 2016 and Listing Rule 9.8.6.