

# **Ashoka India Equity Investment Trust plc**

## **Management Engagement Committee – Terms of Reference**

### **Scope**

These terms of reference are issued to the Management Engagement Committee (the “Committee”).

### **Composition of the Committee**

The Committee shall be comprised of two 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 shall be required. A quorum shall be any two members of the Committee. The minutes of each meeting of the Committee shall be circulated to all members of the Committee and other Directors of the Company. Any Director, upon request to the Secretary, may obtain copies of the Committee's agenda and minutes provided that there is no conflict of interests. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.

### **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.

### **Resources**

The Company Secretary shall act as Secretary to the Committee and should ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### **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.

### **Principal Responsibilities**

The principal responsibilities of the Committee are:

- to review the performance and appointment of the AIFM and the Investment Manager;
- to review the remuneration of the AIFM and the Investment Manager; and
- to review the engagement of other main service providers.

#### **Investment Manager & Investment Advisor**

- to review the Investment Manager's investment performance against peers and the relevant index and compliance with the terms of the investment management agreement. If necessary providing appropriate guidance including whether the continuing appointment of the Investment Manager is in the best interests of the Company and its shareholders with reasons for such a recommendation;
- to review the Investment Advisory agreement annually including review of Notice period and ensuring it conforms to best market and industry practice and remains in the interests of shareholders. Making any recommendations to the Board on any variation to the terms of this agreement which it considers necessary and which may be proposed by the Investment Manager;
- to evaluate the level and effectiveness of any marketing support provided by the Investment Manager for the Company either through a management contract or as part of a non contractual obligation or understanding;
- to monitor the remuneration of the Investment Manager and the basis on which the performance fee is calculated with a view to ensuring that the performance fee does not encourage excessive risk taking but suitably incentivises the Investment Manager to deliver superior performance against the stated objectives of the Company giving due consideration to the competitive position of the company against the peer group;
- to consider the merit of obtaining an independent appraisal of the Investment Manager's services.

#### **Other Service Providers**

- to monitor compliance by providers of other services to their agreements and ensuring their continued competitiveness, effectiveness and maintaining suitable policies and procedures relevant to the Company, as well as reviewing and recommending any amendments to the terms of the appointment and remuneration of these providers; and
- to consider any issues around conflict of interest which may arise between the providers of services to the Company.

#### **Reporting**

The Committee shall report to the Board and prepare a disclosure statement in accordance with rule 15.6.2 of the UK Listing Authority Listing Rules regarding the continued appointment of the Investment Manager on the terms agreed to be included with the Annual Report of the Company .

The Committee will ensure that the terms of reference for the Committee are generally available upon request or on the Company's website.

21 May 2019