

TERMS OF REFERENCE OF THE MANAGEMENT ENGAGEMENT COMMITTEE

ESTABLISHMENT AND PURPOSE

The board established a committee of the board to be known as the management engagement committee (the "**Committee**") at its meeting on 31 October 2016. The principal function of the Committee is to review annually the terms of the investment management agreement between the Company and the Investment Manager, the investment advisory agreement between the Company and the Investment Adviser, the Broker and other service providers as considered appropriate, together with their performance.

MEMBERSHIP AND QUORUM

The Chairman of the Board shall also be the Chairman of the Committee. The Committee shall comprise David Warr, John Falla and Nigel Ward with Paul Craig in attendance if available and a quorum shall be three members.

MEETINGS

At least one meeting shall be held each year and at such other times as required by the Board. Any Committee member or the secretary may call a meeting.

The Company Secretary shall be the Secretary of the Committee.

NOTICE OF MEETINGS

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman or any member of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

MINUTES OF MEETINGS

The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The secretary shall ascertain at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the board unless in the opinion of the Committee chairman it would be inappropriate to do so.

AUTHORITY

The Committee is authorised by the board to investigate and review any matter within its terms of reference and to consider any matter the Committee deems relevant to the discharge of its duties.

The Committee is authorised by the board to obtain legal or other independent professional advice in relation to the investment management agreement, investment advisory agreement and any

HADRIAN'S WALL SECURED INVESTMENTS LIMITED

matters relating to the engagement of the Investment Manager, Investment Adviser, the Broker and any other key advisors and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

DUTIES

The duties of the Committee shall be to:-

- (a) review the terms of the investment management agreement, including the provisions relating to the Investment Manager's remuneration, and satisfy itself that they are competitive and sensible for the Company and its shareholders and other service providers as considered appropriate;
- (b) review the terms of the investment advisory agreement, including the provisions relating to the Investment Adviser's remuneration, and satisfy itself that they are competitive and sensible for the Company and its shareholders and other service providers, including the Broker, as considered appropriate;
- (c) propose any changes to the terms of the investment management agreement or investment advisory agreement that it considers necessary and desirable as a result of its review;
- (d) review the overall performance of the Investment Manager, Investment Adviser, Administrator, Custodian, Registrar and any other key service provider as determined by the Board from time to time;
- (e) satisfy itself that the duties of the parties as set out in the relevant agreements are being performed as required;
- (f) consider any changes proposed by the parties to the terms of the relevant agreements and to review, at the intervals provided for in the agreements, the amount and terms of payment of the parties' remuneration;
- (g) consider any specific matters relating to the engagement of the parties which the board may request;
- (h) report to the board on its conclusions and to make recommendations in respect of any matters within its remit; and
- (i) to ensure that service providers are not operating conflicts of interest in accordance with the Registered Closed Ended Investment Scheme Rules 2015 Section 4.

Amendment may be made to the duties of the Committee by the board from time to time.

REPORTING PROCEDURES

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

REPORTING RESPONSIBILITIES

- (a) the Committee chairman shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- (b) the Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

HADRIAN'S WALL SECURED INVESTMENTS LIMITED

- (c) the Committee shall produce a report to be included in the company's annual report about its activities.

MEMBERS OF THE MANAGEMENT ENGAGEMENT COMMITTEE

David Warr

John Falla

Nigel Ward

Approved by the Committee on 23 January 2017

Approved by the Board on 23 January 2017