

Gresham House Energy Storage Fund plc
Management Engagement Committee – Terms of Reference

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 (Principles 15 and 18). The Financial Reporting Council has confirmed that AIC member companies who 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 to its UK Corporate Governance Code.

Composition of the Committee

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

The Committee Chairman shall be appointed by the Board and shall be an independent Director.

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.

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:

- (i) investigate and review any matter within its terms of reference and consider any matter it deems relevant to the discharge of its duties;
- (ii) seek any information it reasonably requires from a representative of any third party service provider in order to perform its duties;
- (iii) request a representative of a third party service provider to attend any meeting of the Committee (including without limitation a representative of the AIFM);
- (iv) obtain at the Company's expense outside legal or other professional advice on any matters within its terms of reference;
- (v) have timely and unrestricted access to relevant documents relating to the affairs of the Company; and
- (vi) have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

AIC Code Principle 15

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

The Committee shall:

- (i) monitor and evaluate the AIFM's performance (and, if necessary, provide appropriate guidance) and compliance by the AIFM with the terms of the Delegated AIFM Agreement entered into between the Company and the Investment AIFM from time to time;
- (ii) ensure disclosure in the annual report of the AIFM's overall performance;
- (iii) consider the merit of obtaining, on a regular basis, an independent appraisal of the AIFM;
- (iv) require the AIFM to provide attribution and volatility analyses and consider whether it should be published at least annually;
- (v) review at least annually the continued retention of the AIFM's services;
- (vi) 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;
- (vii) consider whether the annual fee should be based on gross assets, net assets or market capitalisation;
- (viii) ensure that the AIFM has an appropriate risk management and internal control system designed to safeguard the shareholders' investment and the Company's assets; and
- (ix) produce a disclosure statement to be included in the Company's annual report about its activities (including an overview of the review of the effectiveness of the AIFM's risk management and internal control systems designed to safeguard the shareholders' investment and the Company's assets).

AIC Code Principle 18

The board should monitor and evaluate other service providers to the Company from time to time, including by:

- (i) reviewing and considering the appointment and remuneration of service providers to the Company; and
- (ii) considering any points of conflict which may arise between the providers of services to the Company.

The Committee shall report accordingly in the Company's annual report.

Definitions

In these Terms of Reference, unless the context requires otherwise, the following definitions shall apply:

"**AIC**" means the Association of Investment Companies;

"**AIFM**" means Gresham House Asset Management Limited (company no. 09447087), the Company's alternative investment fund manager within the meaning of the AIFMD;

"**Board**" means the board of Directors;

"**Chairman**" means the chairman of the Committee;

"**Committee**" means the management engagement committee of the Company;

"**Company**" means Gresham House Energy Storage Fund plc (company no. 11535957);

"**Company Secretary**" means the company secretary of the Company from time to time;

"**Directors**" mean the directors of the Company from time to time; and

"**Secretary**" means the secretary of the Committee.

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