

Baillie Gifford Japan Trust plc

Management Engagement Committee Terms of Reference

Membership & Quorum

The Committee shall be appointed by the Board, a majority of which will be independent non-executive directors and shall consist of no fewer than three members. A quorum will be two members.

The Chair of the Committee shall be appointed by the Board from amongst the independent non-executive directors. The Chairman of the Board can only be a member of the Committee if deemed independent on appointment and cannot serve as Committee Chair. Prior to appointing the Committee Chair, the Board shall satisfy itself that the appointee has relevant experience and understanding of the Company. In the absence of the Committee Chair and/or appointed deputy, the remaining members present shall elect one of their number to the meeting.

Secretaries

Baillie Gifford & Co Limited shall act as Secretaries to the Committee, but shall be excused from discussions regarding investment management, administration and secretarial services.

Frequency of meetings

The Committee shall meet at least once a year and otherwise as required.

Notice of meetings

Meetings of the Committee shall be convened by the Secretaries to the Committee at the request of the Committee Chair.

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 no fewer than 5 working days prior to the date of the meeting.

Responsibilities

The Committee shall:

- review the investment performance of Baillie Gifford & Co, as delegated by Baillie Gifford & Co Limited (Alternative Investment Fund Manager), to ensure that the Managers remain suitable to manage the portfolio;
- review the adequacy of administrative and company secretarial services provided to the Company by Baillie Gifford & Co Limited;
- review and make recommendations on any proposed amendment or material breach of the Alternative Investment Fund Management Agreement;
- review the management fee;
- review and make recommendations on the terms of appointment and remuneration of the Company's other service providers;
- review from time to time Baillie Gifford & Co Limited's monitoring and review of the Company's other service providers and their compliance with the terms of their respective agreements; and
- recommend to the Board annually whether the continued appointment of Baillie Gifford & Co Limited is in the best interests of shareholders as a whole.

Authority

The Committee is authorised by the Board to investigate any activity within its Terms of Reference and to seek any information it requires. The Investment Manager and its employees shall co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference. However, prior to doing this, the Committee should consult with the Chairman of the Board to agree limits on costs.

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Reporting

- The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its responsibilities.
- The Secretaries shall circulate the minutes of the meetings of the Committee to all members of the Board.
- The Committee shall make a statement in the Annual Report about its activities and how it has discharged its responsibilities including an update on any decisions or actions arising from its review of contractual relationships with and performance of the investment manager, the membership of the Committee, number of Committee meetings and attendance over the course of the year.
- The Committee Chair shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

Other Matters

The Committee shall arrange for periodic review of its own performance and, at least annually, review these terms of reference and recommend any changes it considers necessary to the Board for approval.
