



## MANAGEMENT ENGAGEMENT COMMITTEE TERMS OF REFERENCE

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**1. Terms of Reference**

- 1.1 These Terms of Reference (and any subsequent amendments) will be approved by the Board.

**2. Membership**

- 2.1 The members of the Committee shall comprise the entire Board. Any conflicts shall be managed through the Conflicts of Interest policy.
- 2.2 Only members of the Committee have the right to attend committee meetings. However the Committee shall have the authority to request other individuals, in particular the Investment Adviser and other specialist contractors, where appropriate, to attend all or part of any meeting and to participate in the wider business of the Committee.
- 2.3 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. Clive Spears shall be the initial chairman. In the absence of the appointed Chairman of the Committee, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

**3. Secretary**

- 3.1 The Company secretary or his or her nominee shall act as the secretary of the Committee as and when required. The Company secretary will facilitate the final presentation of any Management Engagement reports to the Board.

**4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

**5. Frequency of Meetings**

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

**6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be called by the Company Secretary at the request of any of its members. 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 and any other person invited to attend, no later than five working days prior to the date of the meeting (with the exception of the Annual Risk Assessment Meeting which will require a minimum of two months' notice). Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

**7. Minutes**

- 7.1 During the annual risk assessment process, the Committee Chairman shall minute the proceedings through populating the evaluation questionnaire and the

Administrator will facilitate the production of the final report to the Board. For any other —business, the Company Secretary shall minute the decisions of the meetings, including recording the names of those present and in attendance.

7.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 Draft minutes of committee meetings shall be circulated promptly to all members of the Committee.

## **8. Annual General Meeting**

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

## **9. Duties of the Committee**

The Committee shall:

9.1 reasonably satisfy itself that agreements setting out arrangements with the Investment Adviser and other third party service providers are fair and that the terms remain competitive and in the interests of shareholders;

9.2 review with the Investment Adviser and the third party service providers any material issues arising from their work and to consider any matters which the Investment Adviser and third party service providers wishes to bring to the attention of the Committee via the annual business risk assessment report;

9.3 monitor compliance of the Investment Adviser and third party service providers with the terms of their agreements via the annual risk assessment;

9.4 negotiate with the Investment Adviser and third party service providers any changes to those agreements in accordance with the directions of the Board;

9.5 review and, if applicable, prepare amendments to the terms of the Investment Adviser and third party suppliers management fees and any other payments made or benefits given;

9.6 consider any point of material conflict between the Company, the Investment Adviser and any third party service providers via the annual risk assessment exercise;

9.7 undertake an annual performance evaluation of the Investment Adviser and third party service providers via the annual risk assessment exercise;

9.8 consider the continuing appointment or replacement of the Investment Adviser and third party service providers and make recommendations to the Board thereon via the annual risk assessment exercise; and

9.9 reasonably satisfy itself that the Investment Adviser's business and those of the third party service providers remain robust and can continue to operate efficiently and effectively for the foreseeable future, having particular regard to their resources and the adequacy of its governance framework via the annual risk assessment exercise.

## **10. Reporting Responsibilities**

10.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed primarily via the Annual Risk Assessment process.

**11. Other Matters**

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the Investment Adviser (in particular to assist with the Annual Risk Assessment Process) and third party service providers as required; and
- 11.2 oversee any investigation of activities which are within its Terms of Reference.

**12. Authority**

The Committee shall:

- 12.1 to seek any information it requires from the Investment Adviser and third party service providers in order to perform its duties;
- 12.2 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference which the Committee reasonably believes is necessary to do so having regard to the procedure for the directors on taking independent professional advice; and
- 12.3 to request that representatives of the Investment Adviser and all other third party service providers are available to answer questions as required.

